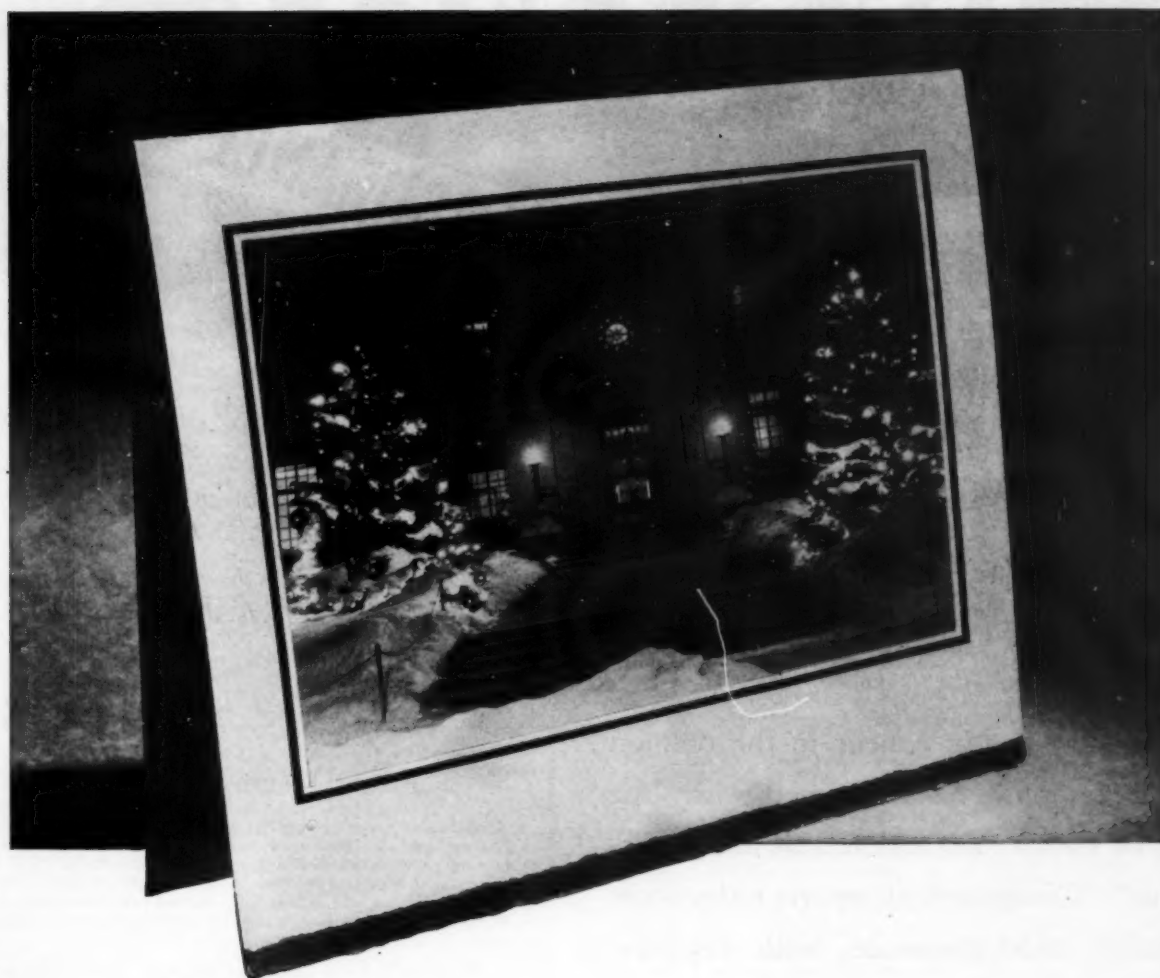


# *The* NATIONAL UNDERWRITER



*To all our friends, we send our  
heartiest greetings for the Season.  
May the New Year bring you your  
full share of the good things in life.*

*Agricultural*  
Insurance Company  
of Watertown, N.Y.



*Empire State*  
Insurance Company  
of Watertown, N.Y.

THURSDAY, DECEMBER 4, 1947



In warning Insured of under-insurance, a recent issue of the "Bulletin" of the Brooklyn Insurance Brokers' Association, Inc. said:

*"The Coinsurance requirement is presently loaded with dynamite for many Insured. It is your duty to bring home to them the meaning of this clause and its implications with as much emphasis as you can."*

*"Producers can render a real service by bringing this problem to the attention of their Insured on every possible occasion."*

We cannot help but concur in the opinion that Insured should be acquainted with "the meaning of the Coinsurance Clause and its implications." Company loss reports today show considerable under-insurance, with resultant application of the Coinsurance Clause in cases similar to those quoted herewith.

Our "Coinsurance Clause Explained" folder is acknowledged by authorities to be the best explanation of its kind. Write our Advertising Department for a supply for distribution to your Insured.

### READ 'em and WEEP

A building was insured for \$2,000 with one agent for 27 years. During this time hardwood floors were put down, a new central heating plant installed, and a new store front built. The value of the building rose to \$12,000. A fire brought an \$1,800 loss. The Insured, who thought he was fully covered for this amount, recovered \$450. Soon after he bought \$9,600 worth of insurance with another agent.

A factory suffered damage of \$88,900. It was insured for and recovered \$12,161. The amount underinsured was \$76,739.

A fire in a home caused \$18,260 damage. Insurance covered only \$12,500. The owner lost \$5,760.

A school, damaged to the amount of \$47,012, was insured for and collected \$38,000, and paid \$9,012 of the loss itself.

A fire ate away \$6,273 worth of a mill which was covered for \$4,356 of the loss and had to absorb a deficit of \$1,917.

A foundry lost \$45,410 by fire but was covered for and collected only \$40,002 insurance, paying \$5,408 of the bill itself.

A fire loss of \$3,539 was incurred by a Y.M.C.A. Because of a shortage of insurance, the Y.M.C.A. stood \$1,092 of the loss, having been reimbursed \$2,447.

(National Underwriter)

**NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED**  
**THE PENNSYLVANIA FIRE INSURANCE COMPANY**  
**THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK**  
**THE MERCANTILE INSURANCE COMPANY OF AMERICA**  
**THE HOMELAND INSURANCE COMPANY OF AMERICA**

150 WILLIAM STREET, NEW YORK 7, N. Y.

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## Chicago Agents Pursue Further Fight Against Cut

Call Meeting of Super-  
vising Offices Dec. 11  
to Map Program

A meeting of those class 1 agents of Chicago who rely mainly upon brokers and sub-agents, as distinguished from the direct writing offices, has been called for a luncheon at the Union League Club, Dec. 11, for further discussion of the problem created by the fire insurance commission reduction in the city.

Those arranging the meeting are the ones comprising an original group of 18 agencies whose conferences eventuated in the recent Chicago Board meeting at which strong resolutions of protest were adopted.

Some of the leaders in this group desire to have the truly supervisory class 1 agents present a united front in petitioning the companies at least to defer the effective date of any commission reductions until such time as the agents can furnish a thorough-going analysis of their operating expenses and a justification of the commission costs incurred under the excepted city scale.

### Alternative Is Suggested

In the event that the companies cannot be induced to hold off, then some of the leaders want the agents to issue a demand that the companies reduce rates immediately to the extent that commissions are reduced. There is talk of legal action in the form of a policyholder's suit, to bring about such result. Presently in Chicago, North America is charging rates that are 10% less than those of Cook County Inspection Bureau for dwellings, and North America is 15% off on mercantiles and certain other classifications.

Some of these leaders say that there needs to be a close understanding on the part of those class 1 agents that operate along a similar pattern. They say that the interests of those agents that operate largely in a supervisory capacity differ radically from those agents that concentrate on direct business. Hence they feel that the Chicago Board may not be the most effective avenue through which to work because the Chicago Board membership embraces class 1 agencies of a variety of makeup. Hence the meeting Dec. 11 is not under the auspices of the Chicago Board, but is confined to those agents that have an especial community of interest.

### Cost Studies Being Made

Studies are being made of the relative cost of branch office and general agency operation at Chicago. Some agency leaders contend that the commission reduction program would eventuate in the destruction of class 1 supervisory agents, and that if this comes about branch offices would be set up and these are more costly.

### COMMISSIONS BY REGION

Regional fire organizations, aside from Western Underwriters Assn., which has already acted, are adopting a schedule of "maximum reasonable commissions," similar to that of the W.U.A.,

## Mutuals Put Out \$50 Deductible PPF with Credit of 45%

Aimed at Those Priced  
Out of Market by  
Rate Increases

A \$50 deductible form of the personal property floater policy to be written at approximately the rates in effect for the \$25 deductible form prior to the recent nationwide rate increases is announced by Transportation Insurance Rating Bureau, Chicago, which embraces the larger mutual fire companies. An effective date of Jan. 1 will be sought.

"During the past three years the loss ratio in connection with the personal property floater coverage has been increasing at a rapid rate, and it has become an extremely unprofitable policy," it was asserted by William H. Rodda, secretary of the bureau. "A few months ago it became necessary for insurance companies generally to seek rate increases for the full coverage personal property floater and for the deductible forms being written."

He said the higher rates and minimum premiums made the available policy unattractive to householders who do not have more than \$4,000 or \$5,000 of personal property or household goods. "Yet it was agreed that such policyholders need the 'all risks' protection of the personal property floater just as much as the wealthier individual with much greater values."

A committee of the bureau studied more than 10,000 recent losses to determine whether a \$50 deductible could be issued at a substantially lower rate and a lower minimum premium. The study indicated that a very large percentage of the recent claims under personal property floater policies have been for theft and mysterious disappearance losses, and in amounts less than \$50.

The new form will be written at a credit of 45% from the full coverage premium, and at minimum premiums substantially less than those used for other forms of the personal property floater. The deductible will not apply to losses by fire, wind, extended coverages, burglary and holdup.

The new \$50 deductible is being filed in all states where the higher P.P.F. rates recently have gone into effect. It is not being filed in the states where the old rates remain effective, the rates there being at a level so low that no reduction of premium is held justified for any form of the policy.

### No Eberle & Co. Change

For the benefit of any who may not have noticed previous corrections of an erroneous article concerning Eberle & Co. of Oklahoma City, state managers for a number of insurance companies, THE NATIONAL UNDERWRITER herewith repeats that there has been no change whatsoever in the setup of this general agency.

and it is expected that individual companies will place them in effect in excepted cities.

Under present market conditions, the companies generally are expected to make arrangements with agents that embody the main features of the schedule. Observers believe that such arrangements will be effective as long as the present market stringency exists, but that commission scales will go up again once losses improve and the reserve positions of fire companies ease off.

## Hail Premiums Show Record 40% Increase

1947 Results of Western  
Hail Assn. Companies  
Are Reported

Nationwide hail premiums of Western Underwriters Assn. member companies in 1947 increased 40% to a record total of \$39,773,365, it was reported at the annual meeting at Chicago last Monday of Western Hail & Adjustment Assn. The loss ratio, while not as good as that in 1946 was still favorable.

New president of the hail association is B. R. Walinder, manager of the farm department of America Fore. He succeeds James B. Cullison, manager of Rain & Hail Bureau. Mr. Walinder was vice-president last year.

H. G. Bannerman, superintendent of the farm department of Hartford Fire, is vice-president; C. K. Bjornson, assistant secretary.

Hail premiums in 1946 amounted to \$28,471,387 and the loss ratio was very good; in fact, 1946 had been the best hail year in history profitwise. However, the tremendous increase in premiums more than offset the higher loss ratio for 1947.

Leading state in premiums and in losses was Kansas, with premiums of \$5,839,956, an increase of nearly 100%. Approximately half of the total premium income was accounted for in the five wheat growing states of Oklahoma, Kansas, Nebraska, and South and North Dakota. That strip of states had premiums of \$18,116,175. In North Dakota premiums were \$4,231,757; in South Dakota, \$3,598,691; Nebraska, \$2,343,723, and Oklahoma, \$3,102,048.

The chief reason for the exceptionally fine results this year is attributed largely to inflation. Farmers are getting more money for their crops. Wheat, the primary hail cover, sold for about \$1 a bushel 10 years ago and now brings \$3 or more. Crops were good this year and there were no widespread droughts. There was a strong incentive to protect crops and farmers took advantage of it to the utmost.

## Plane Crash Losses Placed at \$250,000

Aero Insurance Underwriters, which has announced that it will discontinue writing aviation at the end of the year, incurred losses on hulls valued at an approximate total of \$250,000 from two plane crashes during the final week of November. Liability claims will increase the size of the loss.

A hull loss of more than \$200,000 is expected from the crackup of an Alaska Airlines DC-4 at Seattle airport. That accident resulted in the death of five persons and injuries to many others. Aero had the passenger liability. Damages for wrongful death are unlimited in Washington. Aero carried no compensation insurance on the crew of the four-engine plane. It had passenger and public liability and property damage.

Several days earlier a Columbia Air Cargo Co. twin-engine DC-3 crashed near Juneau, Alaska, killing 13 persons. The plane was valued at about \$50,000 and was a converted army transport. It is not believed that insurance will cover the total loss. The airline is principally a cargo carrier and Aero did not have the liability cover. Wrongful death statutes in Alaska limit recovery for damages to \$10,000.

## Harold Warner Retires After 48 Insurance Years

Conick Gets Royal-  
Liverpool Title of  
General Attorney

NEW YORK—Harold Warner, general attorney of Royal-Liverpool, will retire Dec. 31 of this year, and at that time H. C. Conick, U. S. manager, will also assume the title of general attorney. Mr. Warner thus completes an outstanding insurance career, where in his 48 years in the business he has won for himself an enviable reputation as one of the leading executives, both here and abroad.

He was born in England and entered the business in January, 1900, when he was employed by Central, which com-



Harold Warner



H. C. Conick

pany was later acquired by Liverpool & London & Globe. In 1926, when he came here, as U. S. manager and general attorney of the L. & L. & G., he had risen to the position of assistant manager of that company at the head office. In 1929, when it was decided to bring about closer coordination between Royal and Liverpool, Mr. Warner was selected for this important undertaking and was appointed U. S. manager and general attorney of Royal with executive positions in the domestic companies of the group, and thus became the chief executive in the U. S. for both Royal and Liverpool.

### Accomplished Coordination

It was during Mr. Warner's administration that the program of coordination, embarked upon in 1930, was brought to successful fruition, and today the executive offices and operations of all the companies of the group—fire, marine and casualty—are coordinated and housed under one roof at 150 William street. The problems involved in this program were difficult because many of the companies of the group had completely independent managements and staffs with separate offices. To complete such a coordination involved endless questions of management, personnel, systems and housing, and this far-sighted policy is credited with causing Royal-Liverpool to operate as effectively as it does today.

While carrying out these major operations, Mr. Warner was also giving attention to the establishment of various specializing departments and other services in order to place in the hands of the companies' producers complete and up-to-date facilities.

During the period of coordination Mr. Warner was elected a director and assumed the presidency of all domestic

(CONTINUED ON PAGE 32)

## Commission Revision Program in Canada OK'd

**Expect Auto Changes Jan. 1 and Fire-Casualty April 1**

MONTREAL — Dominion Board of Insurance Underwriters has adopted, in the main, suggested commission revisions as suggested by the Canadian Underwriters Assn. It is expected that changes with respect to automobile business will go into effect with the new year; and for fire and casualty business possibly by April.

Little in the way of actual detail has been released for publication, apart from the fact that commissions on sprinklered business are going to be increased from 20 to 22½% and that the profit commission system is to be extended to city agents based on a three-year average.

It is considered most likely that agents in Toronto and Montreal will be primarily affected. It is indicated that profit commission isn't going to be allowed to go beyond 10% and it is pointed out that to obtain this agents will have to sign a form of agreement which has been drawn up by C.U.A. and approved by the Dominion Board. The profit commission is being calculated, reliable sources say, on a three-year average.

### Payable on Net Profits

The profit commission formula, according to an official release, will be payable on the net profits.

Under income, the formula includes premiums, less rebates; deduct reinsurance placed or requested by the agent; net premiums written; add reserve 50% of net premium written in previous year; deduct reserve 50% of net premium written in current year; and this leaves earned premiums.

Under outgo, the formula includes commissions (on net premiums after deducting premiums on reinsurance placed or requested by agent); other expenses charged by the agent to the company, such as Dominion, provincial and municipal taxes, provincial, municipal licenses and filing fees, board assessments, management expenses, 7½% of net premiums, total expense; losses paid during the current year, adjustment expense, less losses outstanding at beginning of current year; add losses outstanding at end of current year; loss and adjustment expense incurred (any salvage or recoveries on account of reinsurance placed or requested by agent deducted); expenses or losses incurred, net profit or loss current year.

Considerable opposition already has developed in agency ranks toward the adoption of this formula. The attitude is that their commissions are being reduced at a time when their overhead is going up.

Agents are inclined to the opinion that if they do not sign an agreement to accept the new terms of the board companies, they will be blacklisted and denied the privilege of board rating schedules and services. Opinion in some quarters is that many agents may forego board privileges for any group or individual company which will give them a better commission break.

### Auto Insurance Question

In automobile insurance, the attitude of the companies now is that since financial responsibility plans are becoming a general thing, the need to go out and sell business doesn't really exist.

## New Grand Jury May Pursue Chilcote Probe

ST. LOUIS — The September grand jury in its final report submitted to Circuit Judge Killoren recommended that a thorough investigation be made by a successor grand jury into the operations of the Chilcote & Co. agency and its relations with insurance and automobile finance companies.

The grand jury voted an indictment charging Donald E. Chilcote with embezzling \$3,000 from Mutual Commerce Casualty of Kansas City, of which he formerly was a vice-president, director and general agent.

The tangled affairs of the Chilcote agency and Mutual Commerce were not brought to the attention of the grand jury for it to complete a thorough investigation before its term expired.

Preferred Fire of Topeka has obtained an order from the St. Louis circuit court attaching the property of the Chilcote agency, including funds being held by Mutual Bank & Trust Co., Plaza Bank and Tower Grove Bank & Trust Co., alleging that the agency held \$11,483 in premiums due to Preferred but not remitted to it.

Circuit Judge Nangle previously issued a similar writ of attachment on an application filed by Great American Indemnity, and still earlier Twin City Fire filed a suit for \$28,000 against Chilcote & Co. in the federal court, also naming as defendants Tower Grove bank and Plaza Bank.

The companies have begun to class automobile insurance as a company service and if agents were permitted to accept the same commission rates as they have been getting, they would be only "cashing in" on a good thing, to the detriment of the companies.

As a result, maximum commissions have been chopped, but even more important it has been decided that all agents are being placed on the same basis with respect to direct business. Under the new set-up, city agents won't get any more than local agents, although there is a provision in the contracts that provincial general agents with subagencies will have an overriding commission which will not, at any time, exceed 7½%.

### Top Set at 20%

Local agents will get no more than 20% on private passenger car business, while other risks will be down to 15% and only 7½% for interurban transports.

Insofar as fire insurance is concerned, city agents will get 30% on dwelling risks, 22½% on sprinklered and 25% on other classes. Commissions range from 15 to 20% and sometimes as high as 25% for local agents, the higher rate in this category to be available on dwelling risks. It is also reported that city agents will be allowed a profit commission of 10% on their fire writings as well as an over-riding commission of a similar percentage on subagency business.

Similar changes also are announced for other types of insurance. In casualty insurance, the city agent will get 10% on workmen's compensation and 15% on bank burglary; and up to 25% on bodily injury and property damage, etc. For the local agents, however, 20% will be the maximum commission rate for classifications like open stock burglary, bodily injury, property damage, plate glass and other lines of that nature. There are, in some instances, overriding commissions allowed on business which may originate through a subagency.

### Five Year Plan

The companies intend to be in a position to handle, themselves, certain services now in the hands of "excepted" agents in Toronto and "chief" agents in Montreal. At the moment, these types of agents get a higher rate of

## Yoder, McClain, Dickey, Wade on Ark. Card Dec. 8

The program has been completed for the mid-year meeting of Arkansas Assn. of Insurance Agents at LaFayette hotel, Little Rock, Dec. 8.

At the morning session with S. W. Creekmore, the president, in the chair, addresses will be given by Dr. Lowell C. Yoder, professor of marketing at University of Arkansas, on "The General Economic Situation and Its Relation to Placing of Insurance"; Harry E. McClain, executive secretary Indiana Assn. of Insurance Agents, "Taking



Robert Maxwell



S. W. Creekmore

Your Association Seriously," and Jay W. Dickey, Rowell, Rowell & Dickey law firm of Pine Bluff, who is attorney for the association, on "The Need for a Qualification Law in Arkansas."

There will be a luncheon meeting and then an afternoon session with an address by Clark Wade, Memphis local agent, on "The Importance of Using the Word Insurer." Mr. Creekmore will give a report as will Robert Maxwell of Texarkana, the state national director, and Miles O. Moore, Jr., manager. A buffet supper and tea dance will complete the day.

commission for performing these services. It is planned to do away with these higher rates at the end of five years, at which time the companies will perform the services themselves.

Two choices are open to the companies to enable them to do this, namely: (a) Establish service offices in both Toronto and Montreal, or (b) name provincial general agents or supervising general agents to do the work for them.

It is confidently expected, in tariff circles, that the adoption of these rates will enable the companies to better meet the increased loss ratios being experienced in the classifications of business involved. It will, also, it is felt, push the agents to sell more business of an insurance-to-value nature.

### A. L. Piver Succeeds Father

Arthur L. Piver, for 13 years associated with his late father, John C. Piver, in publishing the "Underwriters Report", has been elected president of the company.

### Small Florida Storm Damage

The storm that sank about 20 small boats in Key West, Fla., and damaged several others will not cost the insurers a substantial amount, according to reports. One company that had 16 losses reported, most of them damage, will pay about \$7,500 for the lot. The wind occasionally reached 86 miles an hour.

Dan A. Fitz-Gerald has joined George W. Hartman & Co., Jacksonville general agents, as underwriting manager. Mr. Fitz-Gerald has been underwriting manager for Walker-Lippitt general agency at Miami.

John Lee, Tennessee Audit Bureau, told the Nashville Assn. of Insurance Women recent changes in business interruption insurance. Misses Ethel Holman, Thelma Ellis and Carey Manley were presented as having been with the bureau for 25 years. William Crawford, special agent of Home, was a guest.

## Port Authorities Are Scrutinizing Cover Closely

**Texas City Terminal Ry. Case Sets Many Studies in Motion**

Howard B. Pelham of Insurance Audit & Inspection Co., Indianapolis, addressed the annual meeting of American Assn. of Port Authorities, at West Palm Beach on "Essentials of Port Property Insurance." Mr. Pelham has been adviser to the board of commissioners of the Port of New Orleans and to the harbor commission of Memphis and is well versed in the problems involved in such insurance.

The suit by Texas City Terminal Railway Co. against certain insurance companies following the recent disaster has created great concern among port authorities as to the proper arrangement of their own insurance. Mr. Pelham stressed the necessity of concurrency and pointed out that where explosion coverage is carried separately it must be in the same carriers and in like amounts as the fire coverage and that "off premises" explosion protection must be properly arranged without loop holes. Adequate insurance to value in compliance with co-insurance requirements and adequate limits on pressure vessel policies must be carried. Intensified control of hazardous cargoes and stricter fire protection enforcement is essential if insurance is to remain available.

It was apparent from the interest shown in Mr. Pelham's address and subsequent open discussion that the port authorities intend to scrutinize their insurance pretty carefully and additional measures were started to eliminate fire, wind, and explosion hazards.

### Olson and Morris Named to Ill. C. of C. Posts

Raymond Olson, president of Mutual Trust Life, has been appointed chairman of the insurance committee of Illinois State Chamber of Commerce, and C. L. Morris, secretary and general manager of Illinois National Casualty, has been named chairman of the legislative committee.

Mr. Morris is also a director of the chamber of commerce. Other insurance men who are directors include Waldo B. Ames of Moore, Case, Lyman & Hubbard, Chicago, and Rollin M. Clark, first vice-president of Continental Casualty and Continental Assurance.

### Urban Mutual Taken Over

Urban Mutual Fire of Harrisburg has been taken over for liquidation by the Pennsylvania department. It was formed in 1903 but did only a local business until the charter was acquired in 1944 by Thomas A. Butler. At Dec. 31, 1946, it had assets of \$50,407. Being an assessment mutual, under the Pennsylvania law it did not have to set up premium reserves, although premium writings in 1946 exceeded \$100,000.



### Continues as Lloyds Counsel

Mendes & Mount, New York City, has been appointed general counsel in the United States for Lloyds non-marine underwriters, according to official word received by William B. Mendes, senior partner. The predecessor firm, Duncan & Mount, was general counsel for many years. O. D. Duncan died some months ago.





Although the popular title "Corn-husker State" fits the enterprising Nebraska of today, its official nickname "The Tree-Planting State" has historic significance. Arbor Day was first celebrated here where pioneer huts had been built of sod from treeless plains. Other notable "firsts" include: the country's first one-house state assembly; first free homestead; first radio Monitor station, "The Policeman of the Air." Buffalo Bill, William Jennings Bryan and Willa Cather helped introduce Nebraska to the world. Father Flanagan's Boys Town near Omaha promises a continuation of world-wide interest. Early travelers were inspired by the towering landmarks of Scotts Bluff, Chimney Rock, Court-house Rock and Signal Butte. Today's visitors are thrilled by the spectacular beauty of the Capitol at Lincoln, one of ten outstanding examples of American architecture. Rutted wheel tracks are still visible on the old Oregon Trail. Well defined trails for insurance progress are also plainly visible.


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MANAGER

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THE NORTH RIVER FIRE INSURANCE CO. . . . . Organized 1822	THE WESTERN ASSURANCE CO., U. S. Branch . . . . . Incorporated 1851
WESTCHESTER FIRE INSURANCE CO. . . . . Organized 1837	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh . . . . . Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . . . . Incorporated 1923

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## Passe' Club Roster Published

Howard J. Brace has now sent out a roster of Passe' Club International, the members being former insurance commissioners in this country and in Canada. Mr. Brace, who was Idaho commissioner 1919-1924, and is now vice-president of Occidental Life of Los Angeles, is acting supreme secretary of Passe' Club. The organization was formed in 1931, but had an uncertain existence until recently when Mr. Brace

undertook to locate as many living ex-commissioners as possible. His mimeographed roster includes 130 names, and he subsequently "rediscovered" five more. Mr. Brace thinks that there may be 15 or 20 additional men to be tracked down.

The original articles and by-laws were lost, but Mr. Brace sets forth those that he can remember, including the stipulation that every member is a vice-president for life and their books and actions are never to be audited or questioned; two or more vice-presidents may hold meetings anywhere, any time, provided they defray all expenses. All members are

to be addressed as honorable, and all drinking, card playing, wine, women and song are not to be indulged in unless a member wants to do so.

James V. Barry, who died this year, was the president and a new one has not been elected. Clare A. Lee, who is an insurance attorney of Salem, Ore., is secretary for life.

A. L. Phillips, state agent of National Union, will sponsor the Dec. 8 program of the Insurance Club of Minneapolis. Football movies will be shown.

## J. K. Walker Marks 50 Insurance Years

J. K. Walker, head of the Moore Case, Lyman & Hubbard agency, Chicago, on Monday completed 50 years as an insurance man and Wednesday he was host to about 30 insurance executives with whom he has been closely associated, at a dinner at Union League Club.

Mr. Walker is a man of exceptional vitality and his golf performance is awe-inspiring. He is in his 70th year and he is entirely lacking in modesty, in that he lets everyone know that during this year he has cracked 70 four times and just two weeks ago on five successive days, played in the 70's.

Mr. Walker, as a youth was a professional baseball player, and was a catcher for the Chicago Cubs for about a year and a half. Due to the exhortations of a distant relative who was an evangelist and also due to the bump on an elbow, he quit baseball at the age of 20 and got a job as office boy for Springfield F. & M., in the western department. His first boss was John C. Harding, who is executive vice-president in charge of the western department of Springfield, and Mr. Harding sat at Mr. Walker's right hand at the dinner Wednesday.

### Recalls First Assignment

Amos J. Harding, father of John C. Harding, was then western manager and Mr. Walker recalls that his principal assignment was to insert a new penpoint in Mr. Harding's penholder each morning. That Mr. Walker regarded as wasteful, but he performed the task religiously. He developed into an examiner and after 10 years left to join London & Lancashire, with which he was connected just a few months. Then he was with Providence Washington for several years and his final step in insurance company ranks was to North America. When he left there in 1920 he was assistant western manager. His connection with Moore, Case commenced then and for the past 10 years he has been head of the organization.

Mr. Walker's legal residence is Hot Springs, Ark., and there he passes several months each year, and just to keep from getting rusty on insurance, he operates the Walker Insurance Agency there. He also has a place at Lake Geneva, Wis.

A son, J. K. Walker, Jr., is a broker with Moore, Case.

### E. A. Gilbert on Coast

E. A. Gilbert, for seven years at the head office of Allstate, who resigned recently, is now looking over conditions on the Pacific Coast with the possibility of purchasing an independent adjusting office or joining some established firm.

## California Chiefs



W. B. Glassick



C. M. Putnam

In corrected order are the pictures of W. B. Glassick, Hollywood, president, and C. M. Putnam, Oakland, state national director of California Assn. of Insurance Agents, whose pictures were reversed in the Nov. 20 issue of THE NATIONAL UNDERWRITER.

## INSURANCE CALENDAR



On December 17, 1903, the Wright brothers at Kitty Hawk, N. C., made the first successful airplane flight, establishing the principles for the control of one of Nature's very elements, the air. The control of another element, fire, had long

been in progress by such capital stock insurance companies as those in the Fire Association Group, with such beneficial results that today you will find fire protection the finest, fire insurance rates among the lowest, in history.

1947—DECEMBER hath 31 days

"Giving is its own reward"

- 1—M.—1866, Typewriter patent issued to John Pratt.
- 2—Tu.—1927, Lindbergh gets Congressional Medal of Honor.
- 3—W.—1818, Illinois admitted to Union.
- 4—Th.—Last Quarter, 7:55 A. M., E. S. T. 1915, Ford Peace Ship.
- 5—Fr.—Start re-checking your insurance for the new year; see your agent or broker today.
- 6—Sa.—1907, 361 died in Monongah, W. Va. mine fire.
- 7—Su.—1941, Remember Pearl Harbor!
- 8—M.—1941, Congress declared war on Japan.
- 9—Tu.—New possessions? See your insurance agent or broker without delay. Don't risk loss!
- 10—W.—1898, End of Spanish-American War.
- 11—Th.—1941, Germany, Italy declared war on U. S.
- 12—Fr.—New Moon, 7:53 A. M., E. S. T. 1861, \$10 million fire, Charleston.
- 13—Sa.—1769, Dartmouth College Charter granted.
- 14—Su.—1799, Washington died at Mount Vernon.
- 15—M.—1944, U. S. landed on Mindoro, P. I.
- 16—Tu.—1689, English Parliament passed Bill of Rights.
- 17—W.—1939, Graf Spee scuttled by crew off Uruguay.
- 18—Th.—1865, 13th Amendment abolishing slavery, ratified.
- 19—Fr.—1928, First autogyro flown.
- 20—Sa.—First Quarter, 12:43 P. M., E. S. T.
- 21—Su.—1620, Plymouth Rock landing.
- 22—M.—Winter Solstice, 11:43 A. M., E. S. T.
- 23—Tu.—Expert advice usually means money saved. Your agent or broker is your insurance expert.
- 24—W.—1812, U. S.-Great Britain treaty of peace.
- 25—Th.—Christmas Day.
- 26—Fr.—1776, Battle of Trenton.
- 27—Sa.—Full Moon, 3:27 P. M., E. S. T.
- 28—Su.—1846, Iowa admitted to Union, 29th State.
- 29—M.—1851, First American Y. M. C. A. established, Boston.
- 30—Tu.—Are you insured against damage by riot?
- 31—W.—1890, Ellis Island immigration depot opened.

OBSERVATION for December: All manufacturers and merchants have stocks in trade whose value is subject to considerable change. Sell them "Reporting Form" insurance, the coverage of which parallels the varying property value.

PROPERTY INSURANCE  
Fire-Auto-Marine-Aviation

## FIRE ASSOCIATION GROUP

Fire Association of Philadelphia  
The Reliance Insurance Company  
PHILADELPHIA



Lumbermen's Insurance Company  
Philadelphia National Insurance Company  
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817



LEARN TO STRETCH  
COMMISSIONS FROM THIS  
Rubber Yardstick

All manufacturers and merchants have stocks in trade, the values of which do not remain constant but vary from time to time. Find them and you will find opportunity for profit in "Reporting Form" insurance.

Basically, insurance prepared on this plan provides a rubber-yardstick policy which is not written for a fixed amount of insurance but permits the insurance to fluctuate with and parallel the value of the property insured—the premium cost rising or falling concurrently, in the same relation as the insurance. The principal advantage under the "Reporting Form" plan, of course, is that there is never costly over-insurance or dangerous under-insurance.

"Reporting Form" insurance entails no unnecessarily complicated bookwork on the part of the insured. There is no requirement that physical inventories be kept. Ability to report monthly an adequate value is all that is required to satisfy the conditions of the form.

You'll find that "Reporting Form" insurance will help you stretch commissions and make client-friends. It's easy to become thoroughly familiar with the possibilities of this contract. Just ask your local Fire Association Group representative for information and help.

Fire Association Group, 401 Walnut St., Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

Try these ideas in your  
local, and direct mail  
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FIRE-MARINE-CASUALTY-SURETY  
*Loyalty Group*  
INSURANCE

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Western Department  
120 So. LaSalle St.  
Chicago 3, Illinois

Foreign Department  
111 John St.  
New York 7, New York

Canadian Departments  
535 Homer St., Vancouver, B. C.  
465 Bay St., Toronto, Ontario

Southwestern Dept.  
912 Commerce St.  
Dallas 2, Texas

Pacific Department  
220 Bush St.  
San Francisco 4, Calif.

Firemen's Insurance Company of Newark, N. J.  
Organized 1833

The Girard Fire & Marine Insurance Company  
Organized 1853

National-Ben Franklin Fire Insurance Company  
Organized 1846

The Concordia Fire Insurance Co. of Milwaukee  
Organized 1870

Milwaukee Mechanics' Insurance Company  
Organized 1852

Royal Plate Glass & General Ins. Co. of Canada  
Organized 1905

The Metropolitan Casualty Insurance Co. of N.Y.  
Organized 1874

Commercial Casualty Insurance Company  
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

## McCormack Pursues Idea of Qualification Law for State Men

Commissioner McCormack of Tennessee has addressed the members of the laws and legislation committee of National Assn. of Insurance Commissioners, advocating appointment of a subcommittee to pursue the drafting of a model statute relating to qualification standards for insurance commissioners, deputies, examiners and actuaries, and relating to the establishment and organization of insurance departments. He said this group should visit the New York and Texas departments, and one other department in the course of its studies.

Most of the recommendations that Mr. McCormack has in mind, are now

statutes in New York, and he said the departments of that state and Texas have made great progress in creating efficient departments. He said that although in New York the department employees are under civil service, this alone does not guarantee efficiency and the qualifications should be set by the legislature, and not by the civil service commission alone.

Mr. McCormack reviewed the various suggestions that he has made along this line, commencing in 1945 and he emphasized that efficient administration of the insurance departments becomes of first importance in this day of rate regulation.

**American Reserve** has declared a dividend of 50c per share, payable Dec. 31, to stock of record Dec. 15.

**National Union Fire** declared a dividend of 35c payable Dec. 22 to stock of record Dec. 2.

## Marsh & McLennan Again Gets Navy Ships Stores Line

WASHINGTON—The navy has renewed its arrangement with Marsh & McLennan for one year from Dec. 1, to provide coverage on ships service stores at land stations throughout the world, numbering perhaps 200. Johnson & Higgins, which competed for this business last year, did not bid this year.

Solicitation of quotations from those identified with National Assn. of Insurance Agents finally resulted, after repeated extensions of time for several months, in word from Hunter Brown, Pensacola, Fla., chairman of the N.A.I.A. committee, indicating the agents' group was not in position to provide coverage.

Mr. Brown stated, however, as has Oscar West, N.A.I.A. Washington representative, that the association's position is still that ships service stores coverage should be placed on the local agent's level.

His association made no offer "for the current year," Mr. West said, having no license. "No plan to organize an agents' group to handle the business involved could be worked out, it is understood."

A meeting of N.A.I.A. officers and others at Miami late this week is expected to consider problems presented by the navy's program. Mr. Brown's committee and later a smaller group conferred repeatedly with naval officers the past year in an effort to work out something satisfactory to the agents.

Coverage provided under the Marsh & McLennan contract includes fire and other protection of inventories of ships service stores, fidelity bonds, auto liability, etc. Some types formerly included are cut out, such as forgery. Limits are cut on products liability and property damage. Workmen's compensation on a voluntary basis is included, as it is considered doubtful whether state laws apply to ships service stores.

Marsh & McLennan obtained a rating bureau average over-all rate. It placed the business last year with Travelers. The past year comparatively heavy losses were reported at Treasure Island, Cal., in Utah and elsewhere.

## Court Refuses to Rule That Mutual Cover Is Cheaper

U. S. circuit court of appeals for the fifth circuit has affirmed a decision in U. S. district court for the southern district of Alabama, southern division, that Mobile housing board did not breach its contract with Federal Public Housing Authority when it purchased capital stock fire and windstorm insurance instead of buying from mutual companies. FPFA had made a loan to Mobile Housing Authority and as security had taken bonds issued by the net earnings of the housing authority with any excess of earnings over operation cost and debt service to go into reduction of the federal contribution. The federal agency alleged that Mobile Housing Board willfully, wrongfully and arbitrarily violated the provisions of the contract in purchasing stock insurance at a greater cost than the lowest available rate in a financially sound and responsible company, depriving FPFA of a certain reduction of its annual contribution.

In the decision which was written by Judge Waller, who heard the case with Judge McCord and Judge Lee, the jurists held that the complaint seeks "to convert the age-old economic controversy as to the advantage or disadvantage of mutual fire insurance over fixed premium stock company insurance into a judicial controversy. The amount, type and spread of the risk of insurance companies, mutual or otherwise, as well as the reputation and character of service rendered by the companies, their agents, engineers, adjusters, etc., are economic factors that address themselves to sound business discretion. The

Mobile Housing Board . . . did not contract away to FPFA its discretion to settle the economic question presented in the case. In the absence of an abuse of that discretion, the federal courts cannot, and should not, interfere."

FPFA exhibited a binder from Firemen's Mutual covering the insurance in question, and alleged that the coverage could be purchased from that company for a deposit premium of 33 cents per \$100 for a three year policy. The federal agency brought out that Firemen's Mutual had for many years, returned to the policyholder a dividend of at least 70% of the deposit premium, but further brought out that assessments can be made by that company to five times the annual deposit premium. In addition, FPFA gave the names of five mutual companies which it stated are non-assessable companies from which it asserted the coverage could have been purchased for 30 cents per \$100. No binders were tendered from these companies.

## Board Bought Stock Cover

Upon learning that the federal agency proposed to procure insurance on a three-year instead of a one-year basis, the Mobile board secured insurance on a three-year basis at the rate of 30 cents per \$100 from stock companies.

The federal agency asserted that the history of mutual companies reveals a regularity of annual dividends and a total absence of assessments and, therefore, the mutual insurance which it sought to have issued was lower than the rate of the stock companies. The court held that "the fact that the company has regularly paid dividends and never called upon its policyholders for an assessment does not prove that a great catastrophe could not occur and thereby prevent the paying of dividends or demand the collection of assessments," adding that these things will happen and cannot be settled by a court decree.

## Estimate Loss at \$290,000 as New York Building Burns

An insurance loss of about \$290,000 is expected from the New York City fire last weekend which destroyed a five story brick building owned by the New York Plumbers Specialties Co. British General and Commercial Union carried \$65,000 on the building. Contents coverage of \$225,000 was carried by British General and Fire Association. This is a New York Board committee loss.

Two firemen who were on the roof fighting the fire were killed when the walls collapsed.

## S. F. Accountants to Elect

Insurance Accountants Assn. of San Francisco holds its annual meeting Dec. 12. Earl G. Miller, Fireman's Fund, vice-president the past year, is expected to be elected president.

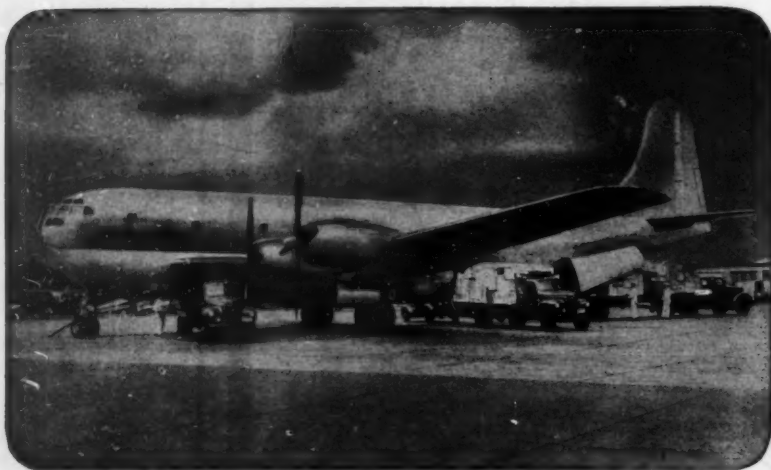
## SAFETY ENGINEERS

Well established casualty company needs experienced engineers for midwest and southwest. A fine opportunity for top notch men with engineering training and background.

## FERGASON PERSONNEL

Insurance Personnel Exclusively  
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BOEING STRATOFREIGHTER

**W**HEN air cargo moves at three miles a minute—and every minute means money—then air cargo insurance service must move at the speed of flight, too.

But, as in aviation itself,—speed and precision in insurance service require years and years of practical experience and a world of knowledge. And a mind open to change!

That is why our policies, which protect shipments everywhere, are not only firmly based on sound insurance principles—but are kept in step with rapidly changing air transportation developments at all times.

Let us aid you in maintaining proper air cargo coverage under all circumstances—through your agent or broker.

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## Hemenway Again Vt. Commissioner

MONTPELIER—Donald A. Hemenway is the new Vermont commissioner of banking and insurance. He held the same office from 1937 to 1941. For the past several years he has been assistant manager of the casualty and bond department of Travelers at Manchester, N. H. As commissioner he replaces Charles E. Burns, who becomes manager of a hospital at Burlington, Vt. Mr. Hemenway graduated at University of Vermont in 1928. He was connected with the Hickok & Boardman agency at Burlington, and later was special agent for Maryland Casualty. He has retained his residence at Shelton, Vt.

## Finds Rejection of Farm Policy Not Effectively Communicated to Insured

The Oklahoma supreme court has upheld the verdict of the lower court in St. Paul F. & M. vs. Creach, holding the insurer liable for loss by fire to a farm dwelling on the ground that rejection of the application for the insurance had not been effectively communicated to the insured.

J. D. Webb, local agent at Hamon, Okla., at the invitation of Creach, visited the farm March 19, 1943, measured the dwelling, made an inspection, had Creach sign an application in blank for \$1,000 insurance on the house and he completed the application at his office. Creach paid Webb \$10.80 to cover the first year's premium and gave him an installment note to complete the total premium on a five-year policy. The next day Webb sent the application, the cash premium and installment note to St. Paul. No policy was ever issued on this application, nor was the cash and installment note returned to Creach until after the house burned June 19, 1943.

Creach testified that about a month after the original visit, Webb approached him on the street and said the insurer wanted more property covered. Creach said that he told Webb to put the barn in "and anything to fix it up." He said he saw Webb several times later, but Webb gave him no information in the matter, and Creach supposed that it was fixed up.

### Testimony of Agent

Webb testified that he got the application back from St. Paul F. & M. in about 10 days with instructions to get more property on the application, that he told Creach about this but said that Creach did not authorize him to include other property, but stated "they would fix the application up later." He said that Creach never did communicate with him further with reference to the making of another application.

St. Paul contended that the receipt of the application imposed on it no obligation nor duty to accept the business and since no policy was ever issued, there is no liability, either in contract or in tort.

The court noted that Webb testified that St. Paul "bound" the application and that it actually gave coverage for a limited number of days. Hence, according to the court, when St. Paul returned the application to Webb to have additional property included, it had not rejected the application. As to what went on subsequently, there is conflict in the testimony, and this was a matter within the province of the jury to resolve.

### Find Carelessness, Negligence

The court said that the jury found there had been carelessness and negligence by St. Paul through its agent which resulted in unreasonable delay in rejecting the application.

St. Paul was represented by Rittenhouse, Webster, Hanson & Rittenhouse

of Oklahoma City and Creach's counsel were J. Scott Vincent of Cheyenne, Okla., and Arney & Barker of Clinton, Okla.

## Form Minn. 1752 Club

Gopher 1752 Club was organized at Minneapolis with Howard W. Pracht, Iowa Mutual Liability, as president; Wm. M. Wyman, Citizens Fund Mutual, vice-president; G. J. Van Horn, Milwaukee Automobile, secretary, and George Harrington, Austin Mutual Fire, treasurer.

## La. Adjustments Total \$3½ Million

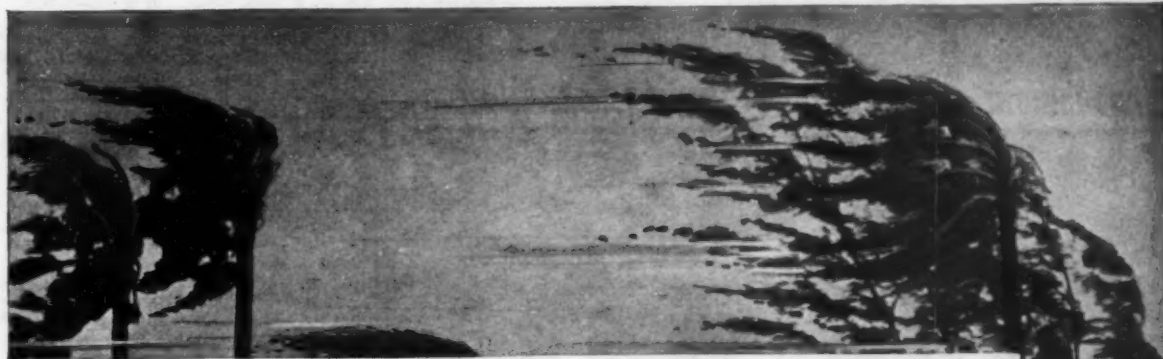
NEW ORLEANS—Slightly more than two-thirds of the losses resulting from the Sept. 19 hurricane which hit Louisiana cities and towns, have been adjusted, according to estimates. Up to Nov. 28 the supervisory office of National Board, at New Orleans, through which all stock company adjustments are cleared, reported 26,372 Louisiana claims adjusted for a total of \$3,110,000. Don Sherwood is in charge.

On the same date, Manager Gordon Davis, in charge of the New Orleans supervisory office of Mutual Loss Research Bureau, reported that 4,012 mutual claims in Louisiana had been adjusted for a total of \$418,577.

Adjustments completed to date by both stock and mutual companies in Louisiana total 30,384 for \$3,528,577.

The Ray H. Crumley agency, Colby, Kans., has been purchased by M. B. Woodworth.

Thomas W. Baird, local agent at Mid-dletown, O., has taken his son, Thomas W. Baird, Jr., into the business.



## 120 MILE PER HOUR HURRICANE...



## couldn't budge RUBEROID TITE-ON SHINGLES



"...not in one instance did we have any blown-off Tite-On Shingles or go-backs after the hurricane."



"...my Tite-On roof is intact, while the roof next to us, just completed, suffered considerable damage."



"We received several thousand calls to repair damage done by the hurricane...no complaints on Tite-On Shingle roofs."

## There's a Tite-On Shingle for Each Purpose

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—they give complete double coverage over the entire roof area.

**Standard Tite-Ons for re-roofing**—applied right over old roofing, they give the same wind-proof protection at a savings in cost.

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Executive Offices, 500 Fifth Avenue, New York 18, N. Y.

## Some Move to Cut Excepted City Auto Scale to 25%

A number of companies, it is reported, have notified agents in excepted cities that the commissions on the automobile physical damage coverages are being reduced to 25% commencing Jan. 1. One or two companies have made the change, effective Dec. 1. The commission in excepted cities has been 35% plus con-

tingent. The companies that have given notice of commission reduction to 25% have made no change in the contingent arrangement.

This change is being effected by the companies individually. National Automobile Underwriters Assn. recently announced that it had relinquished jurisdiction as to commissions, but that hereafter in arriving at the gross rate, the commission loading would be but 25%.

James Y. Scott, president of Van Norman Co., has been elected a director of the Springfield F. & M. group.

## E. C. Commission Cut Bringing Flood of Agents' Protests

Western departments of the fire companies find that National Assn. of Insurance Agents is quite successful in its campaign to get agents in ordinary territory to protest the reduction in commissions on windstorm and extended cover to the same scale that is paid for fire business, namely 15, 20 and 25%, instead of 25% flat. The companies are being inundated with letters of protest. Most of them read pretty much alike, indicating that the agents are copying a suggested form letter. Some of the leaders in excepted cities, it is believed, have gotten the ordinary agents excited by hinting that this reduction is simply the first step in a program which ultimately contemplates establishing a 15% flat commission in ordinary territory. The company men vehemently deny this and say simply that the adjustment in wind and extended coverage commissions is something that has long been overdue. They say that the higher commission was established years ago as an inducement to agents to promote the sale of windstorm insurance when its purchase was very spotty. Now with extended coverage becoming more and more established as part and parcel of the fire insurance contract, they say that any distinction in commission scale is archaic.

The companies have made studies of individual agencies to indicate what the change will mean in the way of a decrease in dollars of commission to the agent. For the agent that has a preponderance of preferred business, which takes 25% fire commission, the reduction is negligible. Where there is a greater proportion of special hazard business then, of course, there is more at stake.

## Nov. Turkey Losses Heavy

ST. PAUL—November turkey losses in this territory were quite heavy, Farm Owners Mutual, large turkey writer, reports. A severe storm Nov. 7 was followed by several lesser ones which took a considerable toll on turkey farms. As a result of the year's operations Farm Owners Mutual will pay no dividend. Its loss of just under 3 cents per insured bird was double that of 1946 while premiums were off 1%.

## Agents Want Rating Bureau

EDMONTON, ALTA.—At a special meeting here of the Alberta Insurance Agents Assn., a resolution was adopted, urging that the companies take immediate steps to form a rating bureau so that agents will be in a position to tell

their clients what the rates are. Several speakers said many quotations given to clients today are on a guesswork basis, for the simple reason that they don't know what to quote them.

Lack of a rating system, the agents agreed, has led to a situation where agents have to shop around among the companies to see which is prepared to sell at a cheaper rate. Their attitude seemed to be that unless immediate steps are taken conditions in fire and casualty insurance may well become chaotic.

## Born, Ohlsen to Represent W. U. A. at N. A. I. C. Meet

Western Underwriters Assn. will be represented officially at the convention of National Assn. of Insurance Commissioners at Miami Beach next week by E. H. Born, secretary, and C. W. Ohlsen, western manager of Sun, the president. Hereafter W.U.A. expects to have such official representatives at all meetings of N.A.I.C. Although W.U.A. does not deal with legislative matters, the leaders have decided that it is well to keep in close touch with the commissioners.

## Planet Promotes Yocum

Donald A. Yocum has been named assistant manager of the underwriting department of Planet and superintendent of inland marine. Mr. Yocum has been assistant manager of the agency department. He has been on the instruction staff at regional meetings being held throughout the country, presenting inland marine underwriting and promotion.

Mr. Yocum began in 1929 with St. Paul. He served as apprentice underwriter and special agent in Minneapolis and Tennessee. In 1941 he went to National Surety Marine as executive special agent. In 1944 he was transferred to Pittsburgh and then joined the marine corps. On discharge he went with the Standard of Detroit group.

## Xmas Tree Fire Prevention

The Concord, N. H., Safety Council has adopted an effective holiday fire prevention campaign which has been approved by the National Board. Before Christmas, the council supplies warning tags to every dealer to place on the trees he sells. The tag informs the purchaser that his tree is a fire hazard and gives him instructions on how to set it up and decorate it safely.

A few days after Christmas, newspapers and radio stations cooperate in asking citizens to take out their Christmas trees and place them on the curb in front of their homes. Business firms donate trucks for a city-wide Christmas tree removal drive. The trees then are collected and burned in a huge community bonfire. Trees that are left in homes after Christmas increase in hazard every day as they dry out.

Mr. and Mrs. Bennett G. Gregory have announced the marriage of their daughter, Beverly Jane, to John L. Miller. The bride for three years has been secretary to Russell E. Lortz, a partner in the Lawton-Byrne-Bruner agency, St. Louis. Mr. Gregory is manager of the Insurance Board of St. Louis and executive secretary of Missouri Assn. of Insurance Agents.

## Hoosier Head

Harold C. Phend, Monticello, newly elected president of the Indiana Assn. of Insurance Agents, has served the past two years as first vice-president and director. He entered the business in 1932 at Kentland, Ind., when he purchased the Towers agency there. He sold this agency in 1935 and became a partner in the Heiny agency at Monticello with J. H. Doran. Present partners are Mr. Phend, Merritt Wood, and W. A. McClintic. He was one of the organizers of the White County Board of Insurance Agents in 1939 and served as its first president.

A graduate of Purdue in 1929, Mr. Phend started with Bowman Dairy Co. at Chicago in its sales division.



Harold C. Phend

THROUGH THE YEARS  WITH APPLETON & COX

**75th YEAR**



**1947**

**111 JOHN STREET**

In 1947, Appleton & Cox, Inc. celebrates its 75th Anniversary Year. It is today an expanding and substantial concern, employing about four hundred people and managing the marine departments of a large and powerful group of companies. The Home Office is located at 111 John Street, New York City, and through its branch offices and regional general agents is well equipped to give service to agents in every section of the country. Today Appleton & Cox, Inc. looks to the future with confidence

founded on a long and enviable record in the field of marine insurance.

Marine insurance today is a far cry from that written in 1872. During these 75 years Appleton and Cox has kept step with rapidly changing conditions and has always offered the last word in up-to-the-minute underwriting. You can have complete confidence when submitting any marine questions to this outstanding organization.

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OCEAN AND INLAND MARINE UNDERWRITERS

111 John Street, New York

BRANCHES IN PRINCIPAL CITIES



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1947

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## Agent Must Pay for Lloyds Warranty Policy Fault

Schweik Insurance Agency of 130 North Wells street, Chicago, has been held liable by the Illinois appellate court for the portion of a loss that was unrecoverable by Progress Laundry Co. from London Lloyds because of failure to comply with the warranty provisions of the Lloyds contract. The Cook county circuit court had cleared the agency of liability. Amount of the judgment is \$3,133.

The Schweik Agency placed a Lloyds fire policy for the laundry for \$12,500 on May 13, 1942, and another for \$2,500 on June 2, 1942. At the time these policies were issued, the laundry had another policy for \$3,000, issued Dec. 30, 1941, by Law Union & Rock, and the warranty clause in each of the Lloyds policies specified a Law Union & Rock policy for at least \$3,000.

When the Law Union & Rock \$3,000 policy expired Dec. 30, 1942, the Schweik agency got another \$3,000 policy from Yorkshire.

### Loss Was \$25,000

On March 18, 1943, when the fire occurred, the laundry had eight policies aggregating \$30,000. The loss was adjusted at \$25,068. Lloyds pro rata share of the loss was \$12,534, but Lloyds contended that its policies were unenforceable because they required the laundry, at the time of loss, to carry at least \$3,000 in Law Union & Rock.

About March 1, 1943, the laundry secured a \$2,500 policy in Law Union & Rock, but not from the Schweik agency.

Eventually Lloyds paid Progress Laundry \$3,133 less than its pro rata share. When such offer was received, the laundry advised the Schweik agency and offered to assign its claim against Lloyds to the agency if the latter would pay the laundry the full pro rata share of Lloyds in the loss, or if the agency preferred, the laundry would bring suit against Lloyds. This was coupled with a request that the agency furnish the laundry a surety bond to secure the laundry against an adverse suit. The agency refused both of these offers and the laundry accepted the reduced amount from Lloyds and gave to Lloyds a covenant not to sue.

### Finds Agency Negligent

The appellate court said that the laundry company's rights were not properly protected on account of the negligence of the agency, for the reason that Lloyds took advantage of the fact that at the time of the loss there was not at least \$3,000 insurance covered by a policy of Law Union & Rock. The court said it is constrained to hold that under the law, Lloyds could take advantage of this.

The agency contended that the laun-

dry company, by compromising with Lloyds and giving them a covenant not to sue, put the broker in a position where he could not protect himself or recoup.

However, the court stated that the agency was notified of the facts, but re-

fused to assume any liability. The laundry company did not settle its claim against Lloyds, but executed a covenant not to sue.

Although the court held the agency liable, it absolved of liability Walter H. Schweik since he was not the agent

of the laundry company nor was he a licensed broker. The agency was the licensed broker and agent of the laundry and is liable.

Robert J. Milliman was attorney for the laundry and Ekern, Meyers & Mathias represented the agency.

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## MacKay Gets Place on Board

Donald R. MacKay, vice-president in the eastern department of Inter-Ocean Reinsurance, was elected a director of the company.

Mr. MacKay commenced with Inter-Ocean in the home office following graduation from college and was transferred to the eastern department in 1938. Called to duty in the air forces in 1940, he was released as a lieutenant colonel in 1946 and reassumed work in the eastern department as assistant secretary. He was elected vice-president shortly afterward.

## Casualty Club Party Dec. 15

The Casualty & Surety Club of New York will hold its annual Christmas party Dec. 15 at the Waldorf-Astoria. There will be an elaborate entertainment program. Ashby E. Bladen, secretary and New York City manager of the Aetna Fire group, is president of the club.

## Urges Kan. Agents to Protest Cut in Commissions

Alpha H. Kenna, executive manager of Kansas Assn. of Insurance Agents, in a bulletin captioned "Serious Situation," urges members to communicate to their companies immediately their attitude on commission reductions. He states that some agents have received notice already that commissions on "hail and windstorm" have been reduced, saying "you were not consulted beforehand."

He alluded to the prediction of Roy Tuchbreiter, president of Continental Casualty, in addressing the annual meeting of Indiana Assn. of Insurance Agents, that automobile third party commissions would be 12½% within 10 years.

"What is in store for commissions on fire business is the X quantity," he states. "The N.A.I.A. has asked companies to wait until N.A.I.A.'s fact-finding survey now in progress is complete. But will they?"

"Companies should know the attitude of their agents, even though they may

not ask for it. Write them today. They will not know otherwise."

## Harris Takes Over in Minn.

ST. PAUL—Armand W. Harris, who took over as Minnesota commissioner Dec. 1, will attend the commissioners' meeting, accompanied by Albert Berger, chief examiner. It is understood that Newell R. Johnson, former commissioner, also will attend.

Commissioner Harris said he plans no changes in the department staff for some time. He will have to appoint some one to head the new rating division, the position he had held.

The department staff gave a farewell party for Mr. Johnson Wednesday night.

## No Cut for Bakers Lloyds

ALBANY—Attorney-general Goldstein has given the New York department an opinion that Bakers' Lloyds may continue issuing policies up to \$12,000 each even though that amount is more than 10% of its surplus. He based his ruling on the law's provision permitting a Lloyds organization to continue on the same basis as before the law's effective date provided it maintains the same surplus as before the effective date.

## Agency Management Session Gives Tips to Conn. Agents

An agency management clinic led by Prof. Laurence J. Ackerman of the business school at the University of Connecticut offered many sales pointers to the Connecticut Assn. of Insurance Agents at their annual meeting at Hartford. Three speakers discussed the high points of the agency management institute held at the university in August.

H. Sage Adams, New Haven, said that there are four elements necessary for good operation of an agency office. These are expiration records, invoices, company accounts, and daily reports. Proper maintenance of these records is necessary, he said, to keep the agent abreast of his progress, and to know whether he is gaining or losing clients. He suggested that the expiration record be produced when the invoice is completed rather than separately at a later date.

He suggested filing of daily reports by name of the client rather than by expiration date. Filing by name of client is a good system, he stated, because at renewal time it is easy to see the client's program and in this way improve the prospect list by showing what additional coverages are needed. It is much easier to tell a client his exact coverages. The client requires continuous agency service, he asserted, and is also a good market for additional sales.

## Agency Advertising Tips

Byron Clark, Hartford advertising executive, discussed agency advertising.

Advertising requires as much programming by the agent as do clients' insurance needs. When he asked how many agents planned their advertising campaigns in advance a show of hands revealed that only seven of 100 used any type of advanced planning program.

He urged all of the agents to prepare a plan before they do any advertising in order to analyze their business and the market they are trying to sell. As to the advertising budget, he said that many are based on historical experience and some on a percentage of annual income. He recommended that two to 10% of agency gross income be expended on advertising.

Agents who see their clients continually do not need as much advertising as those who do not, he stated. In analyzing his market the agent should determine its meaning, geographical spread, its limits, and the approximate income of the groups he is trying to sell.

He recommended use of the radio

only if the agency is located in a large city and if there is a large untapped market of low income people that the agency wishes to sell.

## Calendars Secondary Type

He said that calendars are a secondary and institutional type of advertising and should not be considered as sales advertising. In general he urged that less money be expended on calendars and more on the other forms of advertising.

He recommended that the agents take advantage of local situations in media which vary with every area. For example, if there is a large Italian population in an area it might be a good idea to advertise in the Italian language newspaper.

He said that at the institute many of the agents were amazed at the tripe they put into their sales letters when they analyzed them, and suggested that they be carefully prepared and if necessary that the agent get an advertising or newspaper man to assist him. Advertising should be informative as well as educational.

Agents must decide, before they place any advertising, if they want more business or merely want to keep what they have.

Community surveys were discussed by Carl B. Rowlinson, of Norwalk, who recommended that every agent survey his business now when conditions are good rather than waiting until it starts to slip.

He also advised the agents to survey their own business offices and see if the personnel are the type to hold business, if they are soliciting enough, and if the agency is in the correct geographic position in the town.

## Lake George Garage Loss

Approximately 50 used cars were destroyed in a garage fire at Lake George, N. Y., resulting in a loss of some \$56,000. Alliance had the line on the used cars while Service Fire covered several personal cars and the garage equipment belonging to J. R. Earl & Sons. General Adjustment Bureau is handling the loss.

Two buildings valued at approximately \$100,000 were also destroyed in the fire. The main building burned replaced one which had been destroyed in a fire eight years ago.

Roman M. Vetter, Continental Assurance general agent and vice-president of the Wisconsin Assn. of Life Underwriters, responded for the employers at the annual "Bosses Night" of the Insurance Women of Madison. Helen Griesbach was toastmaster. "Roundy" Coughlin, Wisconsin "State Journal" sports columnist, related some sports highlights. The women sponsored a dance Dec. 3.

## HELP IN EASING THE CAPACITY PROBLEM

The resistance of companies, to the flood of offerings of larger and larger lines today, results not only from the strain on surplus about which we read so much but also from the burning rate of our country's property which has reached the point where the underwriter is skeptical of almost any new offering.

In his daily contact with the property owner, the agent who is informed on fire prevention and protection and does not hesitate to use his knowledge, can contribute greatly to a reduction in this loss and thus do much to revise the underwriters' point of view.

The agency plant is the most effective medium through which is spread the gospel of conservation of property from fire.

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## See Precedent in Fla. Company-Agent Coverage Parley

The conference of stock fire executives and Florida agents this week in Miami regarding the extension of underwriting in that area to meet the demand for insurance, particularly on wind coverage, may establish the pattern for dealing with similar situations in other parts of the country. The agents have gone over the situation and have their arguments well in hand. They know specifically what they want and why they believe they should have it. Also sitting in on the conference are field men and adjusters.

The contention of agents has been that the construction that has taken place since 1926 is wind resistant and much less subject to damage by wind than before the hurricane in that year. Municipal building codes were revised and made a good deal more stringent. What makes the situation critical so far as capacity is concerned is the big volume of building that is doing on, particularly in Dade, Broward and Palm Beach counties.

### Adae, Adams, Cole Represent Agents

Agents are being represented by F. B. Adae, Miami Beach; M. D. Adams, Miami, and B. D. Cole, West Palm Beach, who heads the Florida Assn. of Insurance Agents.

The committee of the Insurance Executives Assn. includes H. C. Conick, U. S. manager of the Royal-Liverpool group; B. M. Culver, chairman of the America Fore group; J. V. Herd, vice-president of Continental; C. S. Kremer, president of Hartford Fire; George C. Long, president of Phoenix; W. Ross McCain, president of Aetna; J. Lester Parsons, president of Crum & Forster; B. C. Vitt, vice-president of American; and E. L. Williams, president of I.B.A.

The committee representing the Southeastern Underwriters Assn., which has been studying the problem for some time, includes J. C. Evans, president Great American; Ashby E. Hill, vice-president of Home; J. H. Hines of Hines Bros., Atlanta; Louis P. Jervey, Continental, Atlanta; E. N. O'Beirne, Automobile, Atlanta; H. N. Pye, S.E.U.A. engineer; W. W. Sampson, manager of S.E.U.A.; A. H. Turner, manager Atlanta; B. F. Weaver, assistant U. S. manager Royal-Liverpool group and president of S.E.U.A., and Caspar S. Whitner, Hartford Fire, Atlanta.

### RFC Men in Insurance

WASHINGTON—The list of more than 80 persons formerly with Reconstruction Finance Corp. during Chairman Jesse Jones' tenure who have since "gained key positions" in the control or management of large private companies include 12 men now or formerly with insurance companies. The list, hitherto unpublished, was released by the senate banking and currency committee in connection with its investigation of the extension of a loan to the Baltimore & Ohio Railroad.

Insurance people listed are James B. Alley, director of Metropolitan Casualty and of Globe & Rutgers Fire; Charles T. Fisher, Jr., director of Standard Accident; Claude Hamilton, director Firemen's of Newark; Mortimer Buckner (deceased), A. B. Jones, E. M. Lufkin and E. B. Schwulst, all directors of Globe & Rutgers, and Samuel Fordyce, George Murname, H. W. Newman, J. W. Slacks, and L. P. Talley, all directors of U. S. F. & G.

### Ease Ont. Assigned Risk Rules

TORONTO—The Ontario automobile assigned risk plan has been liberalized to make it easier for substandard risks to obtain insurance. Decision to ease restrictions has been brought about by an amendment to the highways traffic act which provides for the establishment of an unsatisfied judgment fund which makes it almost imperative for motorists

without financial responsibility to carry automobile insurance. The fund will be realized from an extra assessment which motorists will have to pay when applying for 1948 driving permits. The fee, it is believed, will be a minimum of \$1 per year, possibly higher for truck and taxi operators.

Victims of accidents in Ontario will be able to apply to the fund for damages. The driver responsible for the accident will have his license revoked until he has reimbursed the fund for the amount involved plus interest and proved he has become financially responsible.

Audrey Jean Schulze, formerly with T. A. Manning & sons and Julian Fruit, later with Ralph Hammonds, has opened a new agency at San Antonio. The Pruden agency of Dalton, Ga., has purchased the Field agency there. Mr. Pruden is retaining the companies formerly represented by Field.

The Wichita Assn. of Insurance Women at its meeting Nov. 19 heard Mrs. Kathryn Reed, Kansas Inspection Bureau, describe its operation and functions. Other programs are scheduled to cover the work of the adjustment offices, state agents and local agents. More than 50 enrolled for the class on fire insurance and allied lines.

The Richards-Keene agency of Fremont, Neb., has been sold to the Fremont State Co., local agency there. The agencies will operate separately. The Richards-Keene agency was founded in 1875. The Fremont Co. started in 1928.

## Lloyds Still in Market with Unusual Covers

BALTIMORE — London Lloyds wants to provide facilities for the writing of special risks in the United States for which there is no market in this country. W. Harold Leonhart, Leonhart & Co., reinsurance intermediaries, commented on his return from a visit to England and Europe. The London Lloyds' attitude was expressed by one of the leading underwriters there.

At the same time, Lloyds underwriters of necessity are studying risks very carefully in order to get the correct rates and to underwrite the risks properly.

### Seek Stability on Certain Lines

The underwriter referred particularly to the liquefied petroleum gas industry—butane, propane, etc.; taxicab business, and fire, theft and collision on long haul trucks. He said that underwriters are attempting to reach a stable policy with respect to this type of business so that they may be able to continue to offer a market to American brokers.

The underwriter emphasized that Lloyds must depend on the integrity of the American correspondent for accurate underwriting information. Failure to get that information will mean the loss of the market. It the final analysis, the key factor in the transaction is integrity. The underwriters need a full, detailed description of the risk, its operations and record, primarily its record as to losses.

### Catastrophe Rates

Following the catastrophes represented by the Texas City explosion and the Florida hurricane, the Lloyds market is tightening up on catastrophe covers. The syndicates at London Lloyds follow the policy of reinsuring their catastrophe potentials with other syndicates, and the experience this year is likely to increase the cost of the coverage and eventually be reflected in the catastrophe rates offered to correspondents in the United States. Lloyds is still actively interested in this kind of coverage in the United States where it is countrywide, but they want the fire and extended coverage and not just the windstorm alone.

London-Canada has appointed Smeltzer & Co., Edmonton, as general agents for Alberta.



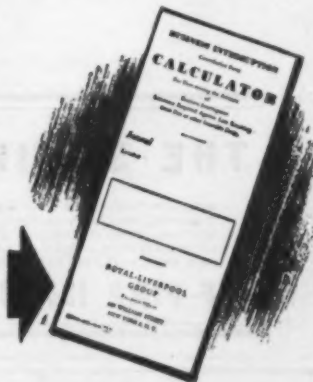
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ment of fixed charges and expenses when fire, explosion or windstorm stops production?

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## F.U.A. Entertains 4-H Club Leaders

Farm Underwriters Assn., which yearly presents 60 agricultural college scholarships to outstanding farm boys and girls in Western Underwriters Assn. territory, was host to 4-H Club leaders and officials at a banquet in conjunction with the national 4-H congress at Chicago. Present were officials of F.U.A., W.U.A. and their member companies. Scholarship winners, state and national officials of the extension service of the Department of Agriculture and farm representatives from Brazil and Bolivia were on hand.

G. C. Cundiff, secretary of the farm department of Home and president of Farm Underwriters Assn., presided. Each of the rural leaders spoke briefly and testified to the inestimable value of the scholarships to rural youth. There were indications in their remarks that the F.U.A. grants are known in every hamlet and have been the finest type of public relations for the old line stock fire companies.

F.U.A. makes the \$100 awards and also some special \$250 grants to farm

youths who are in need of the aid and who are judged superior by extension division officials. An important part of the 4-H program in which these young people must prove themselves is fire and accident prevention on the farm. There was much testimony that the F.U.A. grants have increased attention to this prevention work. The youths fill out prevention survey blanks on nearly every farm in the central territory and see that discrepancies are corrected.

## General Revision of Auto Manual Effectuated

(CONTINUED FROM PAGE 21)

delivery of either substance into the wrong tank but only as to accidents occurring after the completion of the delivery operations. The old rule and the standard endorsement used in connection with it excluded the entire misdelivery hazard.

Since product liability policies do not begin to cover until the product has left insured's possession completely, the old rules and endorsement left an insured without coverage for accidents such as mistakenly delivered gasoline starting a fire while still being pumped. Sometimes this gap was closed by special endorse-

ments but the new rule permits automobile liability and product liability to mesh in accordance with their usual and now generally standardized intent. The old 1943 rule authorizing limited coverage for automobiles used under ride-sharing agreements has been withdrawn. It is understood that very little coverage was written under this rule which was brought out during the war at the request of transportation authorities. It permitted insurance to be written at a reduced rate covering the automobile only while being used to transport fellow employees and others to and from work under one of these arrangements and also permitted limited non-ownership liability insurance for the employer under the same conditions.

## Legislative Hearing on Michigan Department Ruling

LANSING, MICH.—A protest of a Michigan department rule designed to prevent policy changes without specific consent of the applicant for life or health and accident coverage was the subject of a hearing before the legislative joint committee on administrative rules. This committee, consisting of three senators and four representatives, is empowered under a 1947 act to review all rules of state departments and agencies not already specifically approved by the legislature and to suspend them if they are found not to conform with the basic statutes which they supplement.

Spokesmen for Michigan Life, Detroit, argued that the rule under consideration exceeds the commissioner's authority and should be suspended. L. J. Treanor, vice-president, and Samuel Pepper, general counsel, appeared for the company.

Horace B. Corell, deputy commissioner, and William Conley, actuary, appeared for the department, explaining to the committee, headed by Senator Colin L. Smith, Big Rapids, the reason for the ruling which, the department representatives said, was purely interpretive of a statute in force for some 30 years in Michigan.

Under the ruling, made effective last December, it was required that no application forms for coverages in which the application becomes part of the contract should contain any provision that the application might be altered except with the signed approval of the applicant. The ruling, made effective as to new application forms Jan. 1, 1948, provided for use of old forms in the interim with the understanding that provisions of the ruling were complied with. It was pointed out that a 1945 law required the filing and approval of all forms and that the ruling interpreted the older statute and set up a requirement of acceptability for forms being filed under the newer law.

The committee made no immediate decision relative to status of the ruling. Under its statutory powers it may suspend a ruling only until the legislature has opportunity to pass on it. Its authority is final in matters of fact but legal issues involved are reviewable by the courts.

## Plans St. Paul Branch

Auto Owners of Lansing, Mich., will establish a branch office at St. Paul about Feb. 1. Town & Country Agency, which has been general agent for Minnesota, will serve as an agent for the Minneapolis-St. Paul metropolitan district. The general agency plan, now being abandoned, was adopted nearly three years ago when Auto Owners first began writing in Minnesota.

The new program will establish for Minnesota the same plan now followed by Auto Owners in Michigan, Ohio, Indiana and Illinois, the other states in which it is doing business.

Leonard B. Sutton and Scott D. Tisdale have opened Adjustment & Appraisal Service at Colorado Springs, handling general insurance adjustments and claim investigations as well as real and personal property appraisals.

## BULLETINS

B. C. Taylor, Baltimore manager of U. S. F. & G., is being made resident vice-president. T. R. Phipps, assistant manager, becomes manager. G. H. Duffy, assistant manager at Oklahoma City, becomes manager for North Carolina at Raleigh.

Eastern Underwriters Assn. will hold its annual meeting at the Hotel Commodore, New York, Dec. 27.

Fireman's Fund Indemnity has appointed W. L. Truelsen supervising underwriter of the New York metropolitan department.

At the annual meeting of the Eastern C.P.C.U. chapter, J. G. Romans, Royal-Liverpool, was elected president; M. M. Dickinson, North America, Newark, vice-president, and Louis Kortum, American Surety, secretary.

## Gray Talks on Licenses

LOS ANGELES—George O. Gray, well known insurance man and coach for applicants seeking to prepare for license examinations, spoke before Southern California Fire Underwriters Assn. on licenses. He gave the details of how an applicant should go about to get his license and laid particular stress on the necessity of answering every question on the application blank. He outlined the rights of a holder of a license and also told how the license can be terminated.

## Wynne Coast Surety Head

J. A. Wynne has been appointed superintendent of the surety department of Phoenix Indemnity in the Pacific department at San Francisco. He was formerly fidelity and surety manager in the New York metropolitan department.

## Daley in N. E. Field

Camden Fire has appointed Russ J. Daley special agent for Connecticut and western Massachusetts, with headquarters at Hartford. He succeeds Kenneth E. Slocum. Mr. Daley has gained his insurance experience in the Camden home office.

## WANT ADS

### LLOYDS UNDERWRITER WANTED

Young man with several years fire insurance experience—automobile and general casualty background would be helpful but is not essential—to underwriter business in Chicago Lloyd's office dealing in all types of insurance. Write, setting forth experience, qualifications and salary. Replies held in confidence. Address O-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Experienced Special Agent for New Mexico and Arizona territory, by aggressive Agency writing Mutual Fire Company. Give references, employment record and salary expected. Address N-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### FIRE AND INLAND MARINE

Man with 11 years fire and inland marine underwriting home office background. Three years in inland marine executive capacity supervising production, underwriting and loss adjustments. Age 33 years, married. Address National Underwriter, A-20, 99 John Street, New York 7, N. Y.

### WANTED FIRE UNDERWRITER

Progressive stock company has opening for first class underwriter in Western Department Office at St. Louis. Unlimited opportunity for experienced young man. State age, experience and salary expected. Our employees know of this ad. Address O-11, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

**AGENTS** and brokers who convince their clients that this is not an easy going, slackly conducted business are benefitting themselves, helping their companies to make better financial statements, raising the business in the estimation of the public and making it easier for all other producers to collect with reasonable promptness.

William S. Crawford, Insurance Editor  
New York Journal of Commerce

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MICHIGAN FIRE & MARINE INSURANCE COMPANY  
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Service to Stock Fire Insurance companies for 43 years.  
Inspections and Underwriting Reports.

J. G. Hubbell,  
H. B. Chrissinger, Managers

R. L. Thiele, Ass't Mgr.  
P. A. Pederson, Chief Inspector



## N.A.I.A. Committee Chairmen Named

The following chairmen of standing committees have been named by President W. P. Welsh, Pasadena, for National Assn. of Insurance Agents: Accident prevention, I. R. Zerzan, Omaha; agents licensing, G. E. Gillis, New Orleans; aviation, Alphonso Ragland, Jr., Dallas; branch office, Holton Price, Jr., St. Louis; bulletin advisory, H. L. Bailey, Jr., New London, Conn.; casualty, A. H. Criddle, Philadelphia; constitutional revision, H. H. Corson, Nashville; farm and small town agents, R. E. Stephens, Grand Island, Neb.; fire prevention, West Shell, Cincinnati; inland marine, Broadus Bailey, Greenville, S. C.; membership, W. H. Lupke, Fort Wayne, Ind.; metropolitan agents, J. L. Meyer, Cleveland; underwriting coordinating, G. T. Warfield, Jr., Baltimore.

Reappointments are as follows: Educational, L. P. McCord, Jacksonville; fidelity and surety, T. D. Bailey, San Antonio; finance, H. T. Minister, Columbus; financed accounts, C. J. Schoen, Mt. Vernon, N. Y.; fire and allied lines, P. E. Keedy, Baltimore; future finance, Hunter Brown, Pensacola; legislative advisory, J. V. Arthur, Winchester, Va.; public relations advisory, H. W. McGee, Los Angeles.

The underwriting coordinating and bulletin advisory committees are new. The former will consist of the chairman of the five technical committees to correlate activities of these several groups on general underwriting problems. The bulletin advisory committee will work with the editor of the American Agency Bulletin on editorial policies.

## Mutual Clinics Completed in North Carolina

The Southern 1752 Club, agency mutual field organization, completed a series of educational clinics in North Carolina last week. One day sessions were held in Raleigh, Charlotte, Winston-Salem and Greenville. A total of 150 agents attended these sessions, which included prepared talks on fire and casualty subjects and questions from the floor.

Another series will be announced after the January meeting of the organization. These clinics have been held regularly for several years. D. E. Evans, Greensboro, southeastern manager Iowa Mutual Liability, was chairman in charge of the series just completed.

## Chubb Heads Hospital Drive

The drive for funds in the United Hospital Fund in New York City is now under way. Percy Chubb, II, of Chubb & Son, is the general insurance chairman with the following divisions: Casualty, A. F. Lafrentz, American Surety; mutual insurance companies, Burr Gongwer, vice-president of Firemen's Mutual; brokers and agents, Laurence S. Kennedy, president Marsh & McLennan; fire, J. V. Herd, vice-president America Fore, and marine, Mr. Chubb.

Frank A. Christensen, president of America Fore, has been named chairman for the second consecutive year of the Beekman-Downtown Hospital 1948 maintenance fund drive.

## Wage and Hour Revisions

WASHINGTON — American Life Convention and Life & Casualty and possibly American Mutual Alliance are scheduled to appear at public hearings in the Labor Department here, Jan. 15 on revisions in wage and hour administration regulations governing exemption of so-called white collar employees from the federal fair labor standards act. The hearings opened Dec. 2.

The regulations now proposed to be revised were adopted in 1940, to establish "tests" for exemption from the minimum wage and overtime provisions of the wage and hour law for employees

found to be employed in executive, administrative, professional, outside salesman, and local retailing capacity positions. All the tests in the regulations, including those of salary, will be open for reconsideration.

Insurance interests are concerned over the CIO proposal to raise the wage limit on white collar employees exempt from the law from \$200 to \$500 per month.

If this is adopted, insurance representatives say, the effect would be to bring under the act most fire and casualty field men and many junior executives, who would thereby become entitled to time and a half pay for work over 40 hours per week. In the case of field men traveling on their own time and executives not working on a time basis, this would be an important matter.

## Describes U. & O. Benefits

Business interruption insurance stimulates loss adjustments and provides an extra incentive for a concern to carry such policies, Ben Jones of Lawton-Byrne-Bruner Agency, St. Louis, observed in his talk at a meeting of the St. Louis Insured Members' Conference of Associated Industries of Missouri.

Mr. Jones said the companies have done an excellent job taking the mystery out of business interruption coverage. The policy defines in 10 words—

"the conditions that would have existed had no loss occurred"—the same thing that the internal revenue department on the question of tax regulations uses 100,000 words to define.

He gave an example of how a large loss would be handled on a risk involving net sales of about \$7½ million annually in a non-manufacturing line, the coverage under a gross earning form. The adjusters will be mindful of the need for reducing the business interruption claim to a minimum and will concentrate on the merchandise loss adjustments so that damaged goods can be moved promptly to salvage and new goods ordered, he said.

## "Segregated" Appraisals Best, R. W. Stevens Says

HARTFORD — Connecticut Field Club was told Monday at Hotel Bond the "segregated" cost method is the best system of appraisals for insurance purposes. Robert W. Stevens of Marshall & Stevens, Chicago valuation engineers, described the segregated method as one in which the appraiser makes a complete list of materials used to build a structure, and then compiles a complete price bill. Mr. Stevens conceded that many appraisers don't use this system because it takes so long. However, ap-

praisal can no longer be the hit or miss proposition it was when it first began in the 1890s, he said; it must be based on scientific formulae and painstaking compilation of data. He said appraising according to square footage is more accurate than by cubic footage in a building.

## Honor Wight's 25 Years

Malcolm G. Wight, secretary of Hartford Fire, completed 25 years with the company Monday. A. L. Polley, vice-president, presented him a 25-year gold service pin.

Mr. Wight joined Hartford Fire in 1922 as special agent at Boston. He was called to the home office as general adjuster in 1928. In 1932 he was elected assistant secretary, and three years later, secretary.

F. R. Baker, general manager of the New Zealand, stopped in Denver en route home after a trip around the world.

Los Angeles offices of Providence Washington now are at 1544 Wilshire boulevard. It is the latest group to join the move to the Outer Wilshire district.

At the monthly dinner meeting of the Insurance Women of New York Mrs. Minna Hall Carothers spoke on "Let's Go to Mexico."

# About Digging a Well...

From This



1916

To



This, 1947

The old Chinese Proverb: "Always Dig a Well Before You Are Thirsty" is peculiarly applicable to the insurance business in Texas at the present time. We who have been actively associated with underwriting in the Lone Star State for more than thirty years and who have managed to make a profit despite windstorms and a tropical hurricane have sufficient faith in Texas business to justify the belief that normalcy will prevail within the near future. We believe that by the careful selection of business and its proper distribution, Texas business is still good business, when closely supervised by on-the-ground General Agents.

We have demonstrated our faith in the future of Texas business by the erection of a new modern home office building and by adding to our staff additional underwriters who know Texas business. In other words "We are digging a well before we are thirsty."

# H. L. Davis & Son Insurance Managers

509 San Pedro Avenue

San Antonio, Texas

## To Hold Examination for California Rate Analyst

SAN FRANCISCO—A competitive examination, open to anyone in the United States who meets the qualifications, will be held Jan. 22 to fill the newly created position of chief insurance rate analyst for the California department. Examinations will be held in the principal cities of California and in such other places as the number of candidates warrant and conditions permit.

Minimum qualifications are education equivalent to graduation from college with specialization in insurance, mathematics, statistics or engineering and broad and extensive experience of more than five years in the preparation, analysis and application of insurance rates and rating systems. The salary starts at \$6,672 per annum and goes up to \$8,112.

John P. Glynn and Frank Dischner have opened an agency at 702 Federal Securities building, Lincoln, Neb.

## Valuation Subcommittee Acts on Foreign Bonds

The subcommittee of the National Assn. of Insurance Commissioners' committee on securities valuation will present several resolutions to the full committee at the Miami commissioners' meeting. The resolutions were adopted at the recent meeting of the subcommittee members, including Commissioners Harrington of Massachusetts, Dineen of New York, and Deputy Commissioner Gough of New Jersey.

In computing the value of foreign bonds eligible for amortization the resolution provides that if satisfactory evidence is made available that securities can be converted into U. S. dollars at the official rate of exchange and remitted to the United States, the amortized values on such bonds should be computed on the basis of cost and par value in the foreign currency in which the bonds are payable and converted into U. S. dollars at the official rate of exchange. If satisfactory evidence is not made available then the amortized values should be converted at the free rate of exchange.

The quotations published in the book of valuation of securities should be used on shares of stocks and bonds not eligible for amortization in U. S. dollars.

## Derelict Mines of Japs Cause Problem on Coast

PORTLAND, ORE. — The recent wave of derelict Japanese mines, which have been endangering shipping and beach homes along the Oregon coast, has caused a flood of inquiries as well as several claims against extended coverage endorsement insurance. Twelve or 15 of the mines have already been sighted, many of them washed up on the beach and in all cases the coast guard has been called into disarm or explode them.

In at least one such instance, the coast guard's action in exploding a mine which was floating off shore about 200 yards near DePoe Bay, Ore., resulted in substantial damage to a summer home located on the beach. Windows were shattered and other structural damage resulted as well as severe shock to the occupants who happened to be present. It is understood that this particular mine was floating about in heavy seas and it could not be safely approached to fasten a line on it and tow it out of the vicinity and the coast guardsman in command exploded it in order to prevent the possibility of it washing in and exploding directly against the shore.

Local adjusters express the opinion that anyone suffering loss from deliberate explosion of a mine by the coast guard should first of all request payment of

their loss from the coast guard authorities. If and when their claim is denied they should then present claim against their insurance as the insurance companies in such instances will doubtless inquire whether claim has been made against the coast guard. It is felt that the individual suffering the loss will stand a much greater chance of obtaining indemnity from the coast guard than an insurance company would under subrogation.

In one such instance it is reported the claim presented to the local coast guard officer was referred by him to coast guard headquarters at Seattle and the claim with the information was being referred to Washington for attention.

Early in the war when a number of losses of this kind occurred in the Hawaiian Islands, the question was submitted to Insurance Executives Assn. and that association took the stand that such concussion losses were not contemplated nor were they covered in the scope of the extended coverage endorsement. The circumstances now are somewhat different in that no war exists. However, there is no settled decision as to the application of the coverage at this time.

A sharp increase in demand for war risk insurance on fishing vessels operating out of Puget Sound ports is reported by marine offices at Seattle. War risk hull coverage is now 20 cents per \$100 a year, the lowest rate since the end of the war. Most of the fishing vessels are laid up for the winter. Owners of several large fleets are reported to have added war risk coverage.

## Gaede Honored in N. Y.

Julius W. Gaede of Fireman's Fund was honored at a testimonial dinner in New York City upon his retirement after almost 50 years in the marine field. The entire staff of the Atlantic marine department of Fireman's Fund attended. L. J. Haefner, vice-president of the Atlantic marine department, acted as master of ceremonies, and employees presented Mr. Gaede a gift of luggage.

## Bates Joins Aetna Fire

W. G. Bates, investment officer of Hartford National Bank, has resigned to join the investment department of the Aetna Fire group, under George L. Burnham, treasurer. Mr. Bates joined the bank in 1934.

## Big Fire Loss at Omaha

OMAHA — Fire of undetermined origin destroyed the Leflang building here. It is one of the oldest structures in Omaha.

Mayers department store was the main tenant. Loss may reach \$500,000. The department-store's loss alone was \$150,000.

## HOTELS of TOMORROW

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★	Jung Hotel	New Orleans
★	Hotel DuSole	New Orleans
★	MISSISSIPPI	Meridian
★	Hotel Lamar	Meridian
★	NEBRASKA	Omaha
★	Hotel Parkton	Omaha
★	NEW MEXICO	Clovis
★	Hotel Elvira	Clovis
★	OKLAHOMA	Wewoka
★	Hotel Alibridge	Wewoka
★	SOUTH CAROLINA	Columbia
★	Hotel Wade Hampton	Columbia
★	TEXAS	
★	Hotel Alice	Coronado Courts
★	Hotel Stephen F. Austin	Galveston
★	Hotel Edson	Jack Tar Court Hotel
★	Hotel Brownwood	Galveston
★	Hotel El Paso	Miramar Court Galveston
★	Hotel Texas Fort Worth	Hotel Cavalier Galveston
★	Hotel Bucanar	Hotel Plaza Laredo
★	Hotel Galveston	Hotel Lubbock Lubbock
★	Hotel Juan Leflore	Hotel Falls Marlin
★	Hotel Galveston	Hotel Cactus San Angelo
★	Hotel Galveston	Hotel Menager
★	Hotel Galveston	San Antonio
★	Hotel Galveston	Angelo Courts
★	Hotel Galveston	San Antonio
★	VIRGINIA	
★	Hotel Mountain Lake	Mountain Lake

EXECUTIVE OFFICES  
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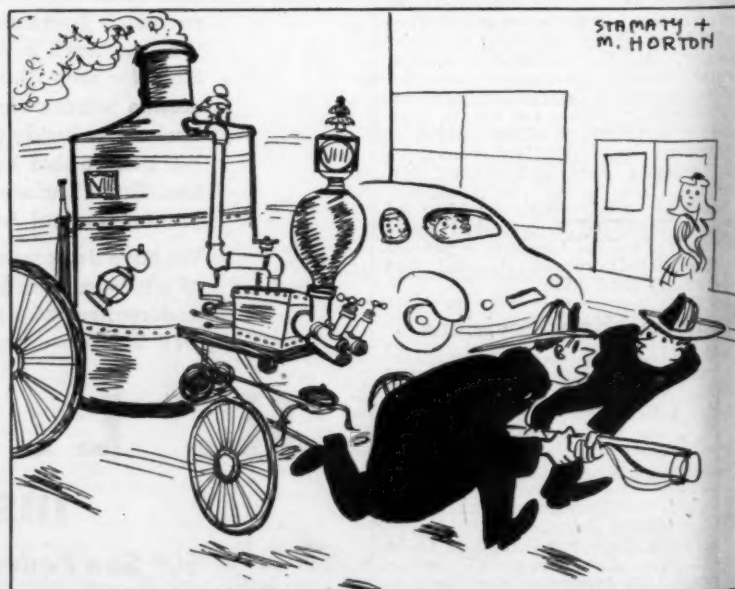
NATIONAL HOTELS

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Los Angeles	Phoenix	Seattle	Portland
Vancouver	Montreal	Havana	London



"I FEEL THIS EQUIPMENT IS GETTING RATHER OBSOLETE."



## Honor Brainard on 25th Anniversary



Morgan B. Brainard, left, speaks at a luncheon in his honor on his 25th anniversary as president of Aetna Life. J. H. Brewster, Jr., vice-president, who presided on the occasion, is seated immediately to the right and behind Mr. Brainard. The other two men are Rawdon W. Meyers and James B. Slimmon, vice-presidents. To the left of the president is the oil painting presented him.

The luncheon for Morgan B. Brainard, on his 25th anniversary as president of the Aetna Life companies, was tendered by the officers and attending were 523 members of the home office staff who have served with Mr. Brainard during the 25 years.

Vice-president J. H. Brewster, Jr., who presided at the luncheon, presented Mr. Brainard with a painting of a woodland snow scene executed by Ripley.

In addition to Mr. Brewster, other officers who served on the committee which arranged the luncheon are: E. E. Cammack, J. K. Hooker, C. B. Morcom, Rawdon W. Myers, E. J. Perrin, Jr.

James B. Slimmon.

Educated at Yale and Yale law school, Mr. Brainard joined Aetna Life in 1905 as assistant treasurer. He became treasurer in 1907 and vice-president and treasurer in 1910.

During his early years with the Aetna Life, Mr. Brainard was closely associated with his uncle, the late Morgan C. Bulkeley, who was president of Aetna Life 43 years.

Mr. Bulkeley died in 1922, and, meeting in special session 10 days later the directors of Aetna Life, Aetna Casualty, and Automobile elected Mr. Brainard president. When Standard Fire was acquired in 1923, Mr. Brainard was also

elected president of that company.

Amazing growth has taken place in the group under Mr. Brainard's direction. When he became president, Aetna Life had \$1 billion 204 million insurance in force. Total insurance in force, as of Dec. 31, 1946, is \$6 billion 314 million.

When Mr. Brainard became president, group insurance in force totaled \$318,085,180. Today the figure exceeds \$4 billion 100 million.

Aetna Life had a capital of \$5 million. Today it is \$15 million. Then the surplus was \$17,279,000. Today it is \$48,016,636. Assets were \$166,438,000. At Dec. 31, 1946 they were \$1,247,466,206. Substantial growth has also taken place in the other Aetna companies.

### Mingles With Organization

Mr. Brainard has felt it incumbent upon him to know his organization, to know people, and to know conditions throughout the country. He has taken hundreds of business trips to all sections of the country and is a well known visitor to Aetna field offices and general agencies. He has attended a number of Aetna Life regional conventions, and has addressed gatherings of Aetna representatives throughout the country.

Mr. Brainard is a director of Underwood Corp., Hartford Electric Light Co., Hartford Steam Boiler, Connecticut Company, Swift & Co., John P. Maguire & Co., of New York, Cleveland-Cliffs Iron Co., Cheney Brothers, Connecticut Power Co., Hartford County Mutual Fire, United Aircraft Corp., New York, New Haven & Hartford Railroad, Hartford National Bank & Trust Co. and Connecticut Printers, Inc. He is a former chairman of Connecticut Economic Council.

Mr. Brainard is a former alderman and police commissioner in Hartford and for 20 years served as director and member of the board of parole at Connecticut state prison. He has also served as a member of the National Republican advisory committee and a

## N.A.I.C. Functionary



Walter L. Hays, president of American Fire & Casualty, is presiding at the N.A.I.C. luncheon at Miami Beach Dec. 9 at which Maj. Gen. P. B. Fleming is the speaker.

treasurer of Republican state central committee.

He is a director of Hartford Hospital and is a trustee of Wadsworth Athenaeum, Colt Bequest, Morgan Memorial, and Watkinson Library. He is a director of American Cancer Society, a director of Life Insurance Assn. of American. He is a former treasurer of Bishop Seabury Memorial Fund. He is a trustee of National Safety Council.

### Christmas Safety Booklets

The National Board has prepared a new free booklet, "Keep Christmas Merry," which contains safety suggestions for Christmas trees, decorations and costumes, as well as parties and public gatherings. The eight-page booklet is illustrated and printed in two colors. Copies of "Keep Christmas Merry" may be obtained free in reasonable quantities by writing the National Board of Fire Underwriters, 85 John street, New York 7, N. Y.

The Des Moines "Register & Tribune" printed its annual special 48 page tabloid insurance edition with both issues of the morning and evening papers.

# FIRE and ALLIED LINES

# Reinsurance

## PRO-RATA and EXCESS OF LOSS

### INTER-OCEAN REINSURANCE COMPANY

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## NEWS OF FIELD MEN

### Move to Set Up Field Clubs in Tex.

Gordon S. Yeargan, vice-president of Trinity Universal, as chairman of Texas Insurance Advisory Assn., announces that arrangements have been made for meetings with field men early in January for the purpose of organizing field clubs at Dallas, Houston, San Antonio and Lubbock. Field men of companies besides the 170 that are members of the association, will be invited to attend.

The field clubs will be modeled on those that are in operation in the mid-west.

Russell C. McConnell, regional manager for Royal-Liverpool, has been named local chairman of public relations committee and this committee will assist in setting up the machinery for the clubs.

### Mensman to Pearl in Tex.

Harry Mensman has been named state agent in Texas for Pearl. The James H. Aldridge Co. continues to represent Eureka-Security as general agents.

Mr. Mensman has been in the Texas field since 1919, starting with the Beers-Kenison & Co. general agency. Later he was with America Fore, Webb Mills & Co., and the companies in the latter general agency.

### North British Promotes Feller

North British has promoted G. Warren Feller to state agent supervising western and central Pennsylvania, with headquarters at 235 Fourth avenue, Pittsburgh. He also assumes the duties of Special Agent Frank A. Meisel, resigned.

Mr. Feller has been with North British in Pennsylvania for 10 years.

### Collin S. A. for Glens Falls

Glens Falls has appointed Richard M. Collin special agent for Maine and New Hampshire. Mr. Collin has been a fire underwriter in the home office where he has been employed since 1934. He served in the air force for three years.

### Cal. Pond to Fete Nason

Harry W. Nason, who retires the end of the year as secretary of America Fore

at San Francisco after more than 40 years service, is to be feted by San Francisco Blue Goose at a luncheon Dec. 8. The pond will hold its Christmas luncheon, dedicated to the late John H. Schively, Dec. 22.

### Heart of America Initiates 22

The Heart of America Blue Goose had one of its biggest splashes in history Nov. 24, initiating 22 goslings. Assisting were Past Loyal Gander M. K. Nelson, Great American, of the Kansas pond, who gave the charge; C. E. Stiehl, London & Lancashire, most loyal gander, and Harold E. Holtz, Millers National, custodian of the Kansas pond.

Will C. Sparks, special agent of State of Pennsylvania, addressed the Stock Fire Insurance Speakers Assn. at Columbus Monday on "Fire Prevention."

Minnesota Blue Goose had its fall dinner party and dance Nov. 28 at Minneapolis. Movies of Minnesota football games were shown.

Walter J. Seelinger, National Liberty, chairman of the speakers committee of Michigan State Fire Prevention Assn., will address the Optimist Club of Detroit Dec. 17 on "Burning Up America."

Chesapeake Blue Goose will meet the evening of Dec. 5 at which time several will be initiated.

### New Agency Supervisors

Edward A. Cebelius and John H. Pomeroy of the eastern underwriting department of Phoenix of Hartford have been promoted to agency supervisors.

Mr. Cebelius joined that department in 1927 and has been examiner in charge of New York and Pennsylvania. Mr. Pomeroy started with the western underwriting department in 1929 and was transferred to the eastern department in 1934. He supervises Alabama, Georgia, Florida, the Carolinas and Virginia.

### New Cal. Disability Rules

LOS ANGELES — Commissioner Downey has issued a ruling in which he makes 11 amendments to rules and regulations promulgating standard provisions for use in group disability policies and facility of payment clauses in disability policies.

## MARINE

### Merchants Switches to Appleton & Cox

Merchants Fire of New York effective Jan. 1 has designated Appleton & Cox, marine and inland marine managers. Chubb & Son have been marine managers for Merchants Fire since 1916.

### Robert M. Cox to Boston for Appleton & Cox

Robert McIntosh Cox has been appointed assistant manager at Boston for Appleton & Cox, Inc. He will be associated with R. F. Moment, who has been in charge at Boston for many years.

Mr. Cox is the son of the late Francis M. Cox, who was vice-president and director of Appleton & Cox and who was a familiar figure in the New England territory, being personally instrumental in stimulating the growth of inland marine business throughout that area. Mr. Cox joined Appleton & Cox in 1937 and since then has served in many departments of the home office. He graduated from Fordham University.

### \$22,500 Judgment Awarded for Motor Launch Deaths

Firemen's is paying \$22,500 on a judgment on a protection and indemnity policy it issued to Anthony Liotti, a Brooklyn clothes manufacturer. Mr. Liotti's 40-foot motor launch ran down and killed two men in a boat in Long Island Sound last summer.

A judgment of \$35,000 was given against Liotti by the court on behalf of the families of the dead men. According to the prosecution Liotti was guilty of negligence. In addition he was fined \$1,000 and given a suspended sentence of one year.

### Women's Executive Committee Meets at K. C.

The executive committee of National Assn. of Insurance Women had a full attendance at its mid-year meeting at Kansas City. President Helen Stombs of the C. J. Montgomery agency, Rock Island, Ill., presided. Results of the October membership drive were re-

ported by Clarkie King of the Henry P. Briggs agency, Coral Gables, Fla., first vice-president. Margaret Garrett of the Cohen-Steenrod agency, Wichita, 2nd vice-president, reported for the educational committee, which she heads. Advance plans for the 1948 annual meeting at Portland, Ore., next June were discussed.

A meeting of region 7 was announced for Denver Feb. 21-23, under the direction of Mrs. Eleanor Sage of the Webb Woodward agency, Topeka, regional director. It includes Kansas, Nebraska, Colorado, Wyoming, Utah and Montana. Gladys Main of Frank Burns, Inc., Seattle, director of region 8, comprising Washington, Oregon, California and Arizona, will be in charge of a regional meeting at Los Angeles March 20-21.

## NEW YORK

### NEW REINS, CLUB HIGH

At its November meeting Reins Club of New York, which includes representatives of direct writing companies and reinsurers, increased its membership to 103. This is an all-time high and a number of the new members are executives. The group discussed several changes in the by-laws.

Among the new members are W. D. Collins, Corroon & Reynolds; Ray Davis, North Star; H. R. Stephenson, Bowes & Co.; H. C. Durkee, John Gilbert, and Howard Shadwell of the Hoborn agency; W. F. Delaney, Jr., and Joseph Lennon of Fairfield & Ellis; E. A. Goerlich, Excess Management; John Lambie, North Star; Clay Harrington, American of Galveston; George Miller of Corroon & Reynolds, and A. A. Watkins of Atlantic Underwriters at Covington, Ky.

President J. J. Ratchford, treasurer of Prudential of England, presided.

### SQUARE CLUB DANCE

Insurance Square Club of New York will hold its 25th entertainment and dance Dec. 5 at Hotel St. George, Brooklyn. William Keller is chairman.

C. E. Ingram, Great American, has announced officially that the Knights of the Round Table will hold their annual joust at the Union League Club, Chicago, Dec. 13.

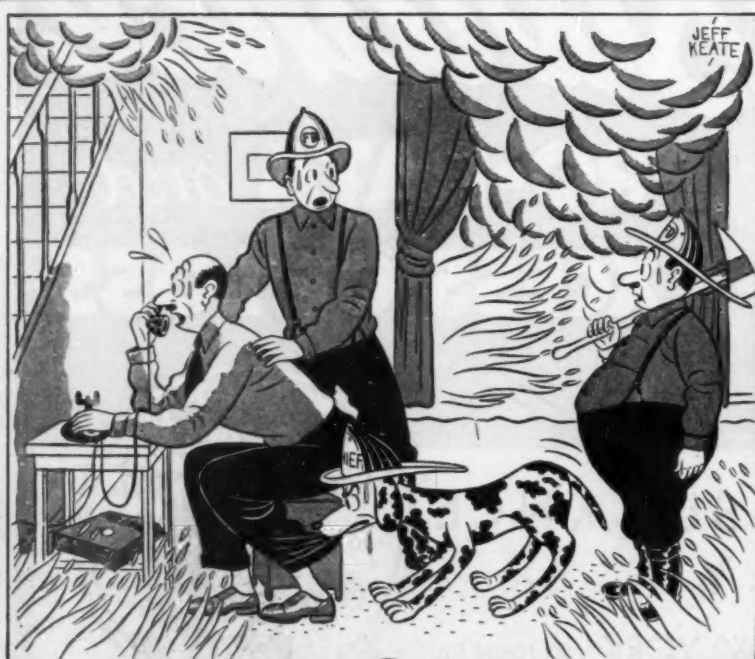
## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago

Dec. 1, 1947

	Div.	Bid	Asked
Aetna Casualty .....	3.00	79	81
Aetna Fire .....	1.80*	43	45
Aetna Life .....	1.60*	40	42
American Alliance .....	1.00*	19	20
American Auto .....	.80	34 1/2	36
American Casualty .....	.60	9 1/2	10 1/2
American (N. J.) .....	.70*	15 1/2	16 1/2
American Surety .....	2.50	55 1/2	57
Baltimore American .....	.30*	4 1/2	4 3/4
Boston .....	2.20	64 1/2	66
Camden Fire .....	1.00	18 1/2	20
Continental Cas. ....	2.00*	48	50
Fire Association .....	2.50	48	49 1/2
Firemen's (N. J.) .....	.50	11 1/2	12 1/2
Franklin Fire .....	1.00	18 1/2	19 1/2
Glens Falls .....	1.60	39	40 1/2
Globe & Republic .....	.50	7 1/2	8
Great Amer. Fire .....	1.20*	27	28 1/2
Hanover Fire .....	1.20	25	26
Hartford Fire .....	2.50*	107	110
Home (N. Y.) .....	1.20*	23 1/2	25
Ins. of N. A. ....	3.00*	91 1/2	95
Maryland Casualty .....	...	13	14
Mass. Bonding .....	1.60*	27 1/2	29
National Casualty .....	1.25*	26	27 1/2
National Fire .....	2.00	43	45
National Lib. ....	.30*	4 1/2	4 3/4
New Amsterdam Cas. ....	1.00	27	28 1/2
New Hampshire .....	1.00*	43	45
North River .....	1.00*	23	24
Ohio Casualty .....	.80	37	38 1/2
Phoenix, Conn. ....	2.00*	81	83
Prov. Wash. ....	1.40*	31	33
St. Paul F. & M. ....	2.00	68	70
Security, Conn. ....	1.40	24	25 1/2
Springfield F. & M. ....	1.90*	38	40
Standard Accident .....	1.45	30	32
Travelers .....	18.00	530	550
U. S. F. & G. ....	2.00*	45 1/2	47
U. S. Fire .....	2.00	46 1/2	48

\*Includes extras.  
†Ex. rights.  
‡New Par value stock.



"His Central agent warned him the house was only half insured. Now he's trying to find out which half, so we can start on the uninsured part first."

### "CHIEF"



**The Central**  
MANUFACTURERS' MUTUAL  
INSURANCE COMPANY  
Van Wert, Ohio

WRITE FOR THE  
CENTRAL AGENCY PLAN



## TRAVEL SPECIALIST

## N. Y. Agent Finds Accident, Baggage Cover Profitable

Louis Greifer operates in New York City what is believed to be the only agency dealing exclusively with travel coverage. He has been in insurance since 1935 and, except for a decrease during the war caused by travel restrictions, his business has been growing since its organization.

Formerly with a steamship company, Mr. Greifer deals mostly with travel bureaus and some air and steamship lines. Many of the large insurance companies deal directly with the railroad, air, bus or steamship lines but Mr. Greifer sells successfully countrywide by dealing with independent travel operators. He sells accident and baggage insurance alone and though many of the premiums are considered small he manages to do all right in the business.

One of his successful lines which has spurred since the end of the war is baggage and personal effects coverage which his company underwrites with worldwide protection. Claims can be serviced in any area of the world not dominated by the Russians. His best production months are during the spring and summer when traveling reaches its peak.

To operate throughout the country Mr. Greifer has the travel bureaus licensed by the various states as his sub-agents. He then offers advertising material and policies which are made available by clerks in the travel bureaus to their clients.

Though dealing in small premiums generally, he said that he had received \$180 in a short period from a travel bureau in a small town in North Dakota. On the other side he recently received a premium of more than \$500 on a \$250,000 accident policy for a New York business executive who was flying to Europe for two months.

Though he is not established in all travel bureaus he does business with a large number of the more than 800 in the country which have the greatest income.

Among the peculiar claims which his companies have paid was one for a set of false teeth and another policy that was written on a wooden leg.

He is well known by various transportation companies and they keep him informed when they open a new branch giving him another sales outlet.

### N. Y. Issues 357-Page Book on Expense Distribution

The New York department has issued a 357-page book on methods of expense distribution in 81 casualty companies. This is the second preliminary report on uniform accounting by the department and consists principally of tables showing how companies distribute expense items. The report is being submitted to the uniform accounting committee of the commissioners in Miami.

The work, being supervised by Deputy Superintendent Thomas C. Morrill, is continuing. This week representatives of the department are surveying the accounting systems of Farmers Exchange, Los Angeles, Central Surety, American Auto, and Farm Bureau Mutual Auto, Columbus, O. A team will start in Texas next week. To maintain an outside viewpoint the field work is being done by accountants especially engaged for the work, though its supervision is by men long familiar with casualty insurance.

### Accident Cover Needed for Traffic Accidents; Antoine

ST. LOUIS—The absolute need for adequate sound accident insurance protection against the economic problems when personal injuries and death result

from accidents "that do happen to us" was stressed by Louis Antoine, St. Louis manager of American Automobile, in his talk on: "The Personal Hazards from Traffic Accidents" before the Accident & Health Underwriters Assn. of St. Louis.

Mr. Antoine confined his talk largely to traffic accidents but also presented some interesting data concerning accidents and resultant deaths, injuries and economic loss on a national basis.

He pointed out that in 1946 accidents caused 99,000 deaths in the United States, while 10,400,000 persons sustained lost-time accident injuries. This means that one person in every 14 was injured. To emphasize this point he held up a deck of cards, saying that if he handed out the 52 cards, four of those receiving a card could anticipate being injured or perhaps killed next year.

It was announced that the next meeting Dec. 30 will be a quiz session with a prominent health and accident man as quizmaster.

### Dorsett to Speak in N. J.

The Casualty Underwriters Assn. of New Jersey at its December luncheon at the Downtown Club, Newark, will have J. Dewey Dorsett, general manager of the Assn. of Casualty & Surety Companies, as guest.

### State of Wash. Schedule Rating Still in Air; Auto

#### Stamping Elimination Asked

SEATTLE—Possibility of early approval of some form of experience and schedule rating for casualty business in Washington appears likely. It is known that bureau and non-bureau companies, whose filings were rejected on grounds of "unfair discrimination" by Commissioner Sullivan about a month ago, are attempting to iron out features of their plans so as to bring them into line.

It is possible there will be a degree of uniformity in the filings. The Washington Assn. of Insurance Agents executive committee has instructed its casualty contact committee, headed by H. N. Mann of Tacoma, to exert every effort to discourage companies from making a wide variety of filings.

There is little likelihood that any plans will be put in effect until after Sullivan returns from the commissioners' winter meeting at Miami about Dec. 17.

The Washington Assn. of Insurance Agents this week advised bureau and non-bureau casualty organizations it favored elimination of the stamping of automobile dailies by the Washington Insurance Examining Bureau and urged companies to request Commissioner Sul-

livan to relieve the companies of clearing their auto business through the bureau. Decision as to the suggestion rests with Sullivan.

Agents contend stamping auto dailies accomplishes no practical end, that only clerical errors are detected and that for some time to come, at least, companies will underwrite their auto business with extreme care anyway. The end of stamping, they have pointed out, would eliminate considerable office detail.

It appears a large segment of the industry in Washington favors termination of stamping. The National Bureau of Casualty Underwriters, Washington advisory committee and leading non-bureau carriers are known to be in favor of the move. This is the first time the agents' association has taken an official stand on the subject.

If auto stamping is terminated, fire and allied lines will be the only kind of insurance subject to stamping. Clearance of auto dailies through the stamping office was begun in the early '30s in compliance with an order by the late H. O. Fishback, who then was commissioner. At the time, several companies questioned the commissioner's authority to order stamping of auto business, but all complied and no change was pressed until the new code went into effect.

KANSAS CITY  
FIRE  
AND  
MARINE  
INSURANCE  
COMPANY

KNOWING  
through  
Experience...

## GROWING through Enthusiasm

Men who "grew up" in the insurance business and understand your agency problems have helped The Kansas City grow steadily since its founding 18 years ago. The Kansas City is experienced in knowing the value of sound underwriting methods; large enough to handle all phases of property insurance.

At the same time, in representing The Kansas City, you work with a company that is young and vigorous—alert to new ideas and modern ways of doing business. We have the enthusiasm important for growing, and we know that each of our agents is vital to every step of our development.

Go forward with The Kansas City... KNOWING through Experience... GROWING through Enthusiasm.

Morton T. Jones  
President



**KANSAS CITY** *Fire and Marine*  
INSURANCE COMPANY  
KANSAS CITY, MISSOURI

Whipple & Chicago

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40 42  
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## EDITORIAL COMMENT

### Value of the Full-Speed Run

When Thomas G. Murrell, general agent of Mutual Benefit Life at Los Angeles, was getting started on his first managerial assignment he developed the idea of applying to life insurance selling the "full speed run." He had been a naval officer before going into the life insurance business. In the navy the full speed run was used to determine the maximum results obtainable under conditions of maximum effort and pressure. Mr. Murrell applied the full speed run idea periodically in his agency and it is a practice that might well be followed more generally, both in an organized way and by individuals seeking to step up their own personal efficiency.

To operate at full pressure all the time makes work monotonous and unbearable but for a limited period it makes a sort of game out of one's job. It shakes a person into a new pattern of work. Little time-wasting habits show up glaringly and are eliminated perhaps permanently. The individual learns, perhaps for the first time, how much more he can accomplish in a given space of time than he had thought.

The biggest advantage of course is

that once having worked up his own ability to a high pitch the individual will retain much of these more efficient habits when the full speed run is over and he drops back to a normal gait. Because of the intense pressure under which he has been operating while on his full speed run, the pace at which he operates afterward, even though it may seem leisurely to him, is usually much more efficient than his old habitual pace.

Wartime experience in training men for the army and war industries proved how much more efficiently people can operate than had been generally realized. In the army's accelerated training course for officers, for example, it was found that men can absorb new material about six times as fast as had previously believed possible. Many people have never undergone the experience of working as intensively and effectively as they possibly can. The "full speed run," by putting them in training, so to speak, may cause a little temporary brain-fag, but the final result is well worth it, for it generates the ability to lope along at a gait that would previously have been thought impossible strenuous.

### Actuaries, London Lloyds, and "Ad" Men

One element of the insurance business that has no need for public relations endeavors in its behalf is the actuarial. It was not so many years ago that actuaries at their meetings were lamenting the fact that actuarial influence was not being exerted to a greater extent in economic and social areas where the precise intellect of the actuary and his rational approach to problems could provide much needed guidance.

Without benefit of public relations counsel, the actuaries since that time have succeeded in winning a place in public estimation that is far beyond the yen of any of the actuarial leaders a decade ago. Indeed the theory of the infallibility of the actuary that prevails today is something that perhaps makes some of the members of that profession tremble to contemplate. The actuary to the public is Mr. Fix-it. Whatever the problem, if it is referred to an actuary, all hands sit back relieved, knowing that in due course the correct answer will come out the other end.

Reflecting the new prestige of the actuary is the current advertisement of the Ford Motor Co. in behalf of its line of trucks.

"Life insurance experts proved Ford

trucks last up to 19.6% longer," this advertisement is captioned.

"Now you can know beforehand which of the five truck sales leaders last longer!" the text reads.

"Wolfe, Corcoran & Linder, life insurance actuaries, assembled the records for all trucks of the five sales leaders registered from 1933 through 1941. . . They prepared truck life expectancy tables by precisely the same method they used to prepare human life expectancy tables. These tables proved that Ford trucks last up to 19.6% longer than the other four sales leaders. . ."

Then below appears in a neat frame, the "Official Actuarial Certificate," giving the life expectancy of a Ford truck as compared with other trucks, and over the signature of Wolfe, Corcoran & Linder appears the statement: "Based on the application of sound and accepted actuarial methods to the actual experience as measured by truck registrations, we hereby certify that, in our opinion, the accompanying table fairly presents the relative life expectancy of the trucks involved."

This opens up limitless vistas for the actuary — actuarial-metric validation of advertising claims. The possibilities are

endless and intriguing for actuaries to pick up an extra dollar in their spare time. Take, for instance, perfume. What a coup it would be for "My Sin" to be able to display an actuarial certificate, say, signed by Mr. M. A. Linton, saying that according to the Linton tables and the Guertin law, users of "My Sin" will score 19.6% more conquests than will the devotees of "R.S.V.P."; they will do better by 3.9% than will those who rely on "Follow Me"; they will have a 33.6% advantage on "Surrender" and will outdistance "Indiscrete" by 50.2%.

And, another thing, London Lloyds, for some time now, has been providing what is known as trade guarantee insurance. It works something like this. A manufacturer of, say, dandruff remover guarantees that if a purchaser is unsatisfied, the manufacturer will supply him with another bottle of it, and then to allay any misgivings, London Lloyds,

under its contract, agrees to provide the purchaser with a bottle if the manufacturer should fail to live up to its promise to do so.

London Lloyds, like the actuaries needs no public relations counsel, as how could anyone who is quoted as follows in the article on Houston in the Saturday Evening Post: Lloyds of London who makes a business of not letting their enthusiasm run away with their judgment, are of the opinion that the population of Houston in 1980 will have reached 3 million.

Now, we can foresee a hitherto undreamed of era for advertising and merchandising with a splendid wedding of actuaries, London Lloyds and advertising men. With an actuary's certificate, and a London Lloyds trade guarantee, consumer demand will rise to undreamed of heights and we will never, never have any depressions any more.

### Example of Government in Business

The House subcommittee report blasting the veterans administration's handling of National Service life insurance and recommending the replacement of the present VA insurance head by a business man of top executive ability should go into the evidence files of all who may have to contend against those who would like to see the government encroach still further into the field of private insurance.

The delays and inefficiency which the subcommittee found at VA are all the more surprising when it is remembered that if there were any class of citizens to whom preferred service should have been given it was certainly the veterans, and particularly when so important a matter as life insurance was involved. Despite the efforts VA has been making to get term policies converted to permanent forms one of the complaints about the present setup is that applications for conversion are not acknowledged. Another complaint is that in thousands of cases the VA has failed to send receipts for premium payments. The veteran cannot be sure that his payment was ever received. In other cases premium notices are sent even where the policy had already lapsed. Perhaps the worst of all are inexcusable delays in settlement of death and disability claims.

A private insurer guilty of a minute fraction of what the VA insurance division is charged with would quickly have been yanked up short by an alert insurance commissioner and told to get its house in order or else.

The assistant administrator in charge of the VA insurance department, H. W.

Breining, told the committee that nothing can be done about paying a dividend on NSLI policies until 10 million tabulations can be made and that if VA is not granted additional personnel for insurance work then it cannot pay a dividend. This is in spite of the fact that, as the report points out, the 18,500 people employed in the VA insurance department far exceed the number of employees per policy in any commercial insurance company. The comparison is additionally striking when you recall that in the usual company a considerable part of the staff is busy with new business where there is relatively little new business coming into the VA insurance department.

Judging from the subcommittee's report, if the VA insurance department were being run with the sole objective of proving that the government should stay out of the insurance business it could hardly do a better job. Some insurance arrangement, of course, was necessary in wartime, but a much better one seems to be the plan sponsored by the National Assn. of Life Underwriters, which would simply guarantee the payment of a death benefit to families of service men dying in line of duty and would give up trying to parallel the activities of civilian life insurance companies with the resultant post-war confusion and unjustifiable competition with private business.

THE salesman who says the least, smiles the most, sells the best, serves the select, secures the silver.

If you lack application, you will lack applications.

## THE NATIONAL UNDERWRITER

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## PERSONALS

**Robert R. Duvall**, examiner of the Texas department, was married to Miss Bobbie Ruth Massengale of Fort Worth.

**Mr. and Mrs. Louis Lange, Jr.**, are parents of a son, Louis Jeffrey Lange. Mr. Lange is manager of the fire insurance department of R. B. Jones & Sons, Kansas City.

**Alonzo Perry**, secretary of St. Louis Fire & Marine, was injured seriously in making an emergency landing with his private airplane in a field near Shreveport, while en route to St. Louis from Houston, where he had gone on business. The plane was wrecked when it struck a tree stump. He suffered fractured vertebrae and other serious injuries. He was taken to the Highland Sanitarium at Shreveport.

**Miles Elleff**, Wichita manager of the Rain & Hail Insurance Bureau, is recuperating at Wesley Hospital there and expects to be back in his office soon.

**Frank Coffin**, a member of the firm of Moore, Case, Lyman & Hubbard, Chicago, is much in demand these days as a speaker at garden clubs. He has a greenhouse at his home at Glencoe, Ill., and he has so combined his hobbies of gardening and photography that the story he has to tell and his pictures have become a valued platform of attraction. His forte is to keep a garden steadily blooming from early spring until late fall.

California Commissioner **Wallace K. Downey** and Mrs. Downey are the parents of a son, Thomas, born Nov. 28.

## DEATHS

**Charles Inglesby**, 75, of the Bell, Inglesby & Backus agency, Savannah, Ga., died of a heart ailment. He had been in the insurance business more than 50 years.

**Samuel L. Richmond**, 91, retired manager at Peoria for Underwriters Adjusting, died there. Born at St. Paul, he joined German Fire at Peoria in 1890 and remained with that company for 28

years, both as a special agent and adjuster. He covered territory for New York to Denver and from St. Paul to the Gulf. In 1920 he joined Underwriters Adjusting, retiring as manager 14 years ago at age 76.

**M. H. Collins**, retired state agent of Springfield Fire & Marine at Denver, died there.

## George Z. Day, Head of Northern of N. Y., Dies at 59

**George Z. Day**, president of Northern of New York, died at New York hospital Saturday afternoon. He had been taken there the previous Saturday. Although he had continued to be active until that time, his health had been uncertain ever since he underwent an operation about a year ago. Funeral services were held from his Brooklyn home Wednesday.



George Z. Day

Mr. Day was born at Brooklyn in 1888 and joined Crum & Forster in 1902. He advanced until by 1922 he was assistant secretary and manager of the southern department. In that year he went with Standard of New York as secretary, later becoming vice-president, and he was elevated to the presidency in 1938. He was also president of Standard Surety & Casualty.

When Aetna Fire bought Standard from its Japanese owners prior to the war, Mr. Day went with Aetna Fire as a vice-president. He became president of Northern in 1944.

Mr. Day was a man of breezy personality, he traveled extensively and was most companionable. He maintained a summer home at Rhinebeck, N. Y.

### Had a Nose for Business

Mr. Day had a nose for business. He possessed the ability to look at a risk and decide whether the company should go on it. He once commented to an associate that "a real underwriter is one who can sense what is going to happen in advance. He doesn't wait for the bloody nose. Anyone can add up figures at the end of a year or two and say what risks are good and which are bad."

He got off risks or pulled out of agencies without apparent reason. He made some mistakes but experience more often than not proved the soundness of his judgment. This was because it was judgment based on observation, knowledge and experience, although most of his decisions were made so rapidly that it was hard to believe they were as well grounded as they actually were. He had a tremendous knowledge of territories across the country. He spent six months in Chicago at one time becoming acquainted with one section of the city.

### Ability Seemed Psychic

Mr. Day also knew people and had the ability, which appeared to be psychic, of sizing them up—employees, brokers and agents, prospective field men. Frequently he decided whether or not to hire a prospective field man in five minutes or less. Occasionally he'd walk out of a luncheon that one of the executives of his company was giving to a prospective special agent, pleading a previous engagement. The number of times he was correct was astounding.

Here again he was not acting on sheer impulse. He was a close observer of people. When he was talking with them his eyes were busy, observing and noting.

He could with almost lightning rapidity put his finger on the weakness in a man or in a proposition. This guided

him in making decisions and policies. He dealt with so many people in the business and got information from such a vast number of sources that he was in a sense armed at all times with the equipment for making sound decisions and passing correct judgments. Consequently he had no hesitancy in acting. He was sure of what he did.

**Addison D. Pardee** of Pardee's Insurance Agency, Kingston, N. Y., died after a long illness. He had represented Aetna Casualty more than 40 years. He entered the insurance business in 1905 with his late brother, Archibald. A year later, they became connected with the Aetna organization.

Mr. Pardee was a former director of New York State Assn. of Insurance Agents and a former secretary of Ulster County Assn. of Local Agents. He was secretary of municipal civil service commission, secretary of Kingston Chamber of Commerce and treasurer of the city of Kingston. He was a vice-president of First National Bank of Rondout, secretary of Kingston Factory Assn. and trustee of Montrose Cemetery Assn.

**John O. Street**, 62, special agent at Nashville for Hartford Fire and with that company 27 years, died following a cerebral hemorrhage. Burial was at his birthplace, Elkton, Ky.

**John F. Lutz**, former St. Louis insurance man, died of a heart attack. Early in his insurance career, Mr. Lutz was chief examiner for American Central when its main office was at St. Louis. In the late '30s he was in charge of the St. Louis office of the Loyalty group. For a time after leaving the Loyalty group he was an independent adjuster.

A son, **Bernard J. Lutz**, is with Maryland Casualty at St. Louis.

**Mrs. Bertha L. Buck**, wife of Samuel M. Buck of Chicago, western manager of Great American, died last Friday following a stroke. She had been ill only five days. The Bucks have one daughter, Mrs. William Seitz of New York City, and one son, Samuel G. Buck, who was formerly with Underwriters Adjusting in Wisconsin. He graduated from

Northwestern University, served in the navy during the war and is now in Evansville, Ind., taking a post graduate course in radio. Mrs. Buck was a native of Texas. She was regarded as a superior woman who had endeared herself to many friends.

**George A. McCord**, 61, Holland, O., local agent, died after a long illness.

**Byron G. Nichols**, 83, who founded the Nichols & Robbins agency, Lorain, O., now operated by his son, Howard K., died there.

**William H. Whiteside**, 64, Youngstown, O., local agent for 30 years, died there.

**Howard T. Paddock**, 65, secretary and general manager of the Behrendt-Levy agency, Los Angeles, died there following a heart attack. He was a native of Hamilton, O., and had been with that agency for 41 years. His son, Edgar C. Paddock, also is an insurance man.

**Walter J. Bales**, 83, died at his home in Kansas City after a brief illness. His first insurance connection was as a partner in the firm of Bales & Hogsett and he was past president Kansas City Insurance Agents Assn. He was vice-president of Kansas City Life and was one of the organizers of Midland Life, which was purchased by Kansas City Life in 1941.

## New Cal. U. C. D. Rules

LOS ANGELES—Commissioner Downey has promulgated new rules and regulations relating to U.C.D. policies under voluntary plans, effective on Jan. 1, 1948. They outline the filing and approval of policies required and optional provisions, and rules for issuance of policies.

## New Policy in All States

The revised standard automobile policy goes into effect Dec. 1 in all states. There were a handful of states that raised questions but none of them insisted on any departures and the program is thus completely successful.



"Not enough" - we hear it all too often these days. That's why we continue to urge adequate insurance to protect the property owner.

## THE CHARTER OAK FIRE INSURANCE COMPANY

Country-Wide Insurance Analysis and Claim Service

Hartford, Connecticut

ONE OF THE TRAVELERS COMPANIES

## ADJUSTERS! REDUCE YOUR FIRE CLAIMS!

Consult Us Before Settlements

We reweave to perfection Burns, Stains and Damages in Rugs (Oriental and Domestic), Table Cloths, Tapestries, Wearing Apparel and Upholstered Furniture.

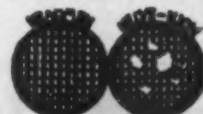
Finest Cabinet Refinishing of Furniture burnt by cigarettes.

All Work Guaranteed

AMERICAN WEAVING COMPANY

Est. 1910

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We serve leading Companies and Adjusters throughout the Country. References gladly furnished.

**THE SAFEST WAY THE INEXPENSIVE WAY**

Increased prices require correction of insurance coverage. Prudent management does this with our service, uses American Continuous Appraisal Service to keep coverage in line with values.

**The AMERICAN APPRAISAL Company**

Over Fifty Years of Service OFFICES IN PRINCIPAL CITIES



## Overheard while waiting for the 8:53

**MAN WITH BRIEF CASE:** What do you consider the most important service your insurance company offers you on Employee Insurance?

**MAN WITH NEWSPAPER:** Claim service. The prompt, sympathetic way *The Travelers* handles claims has built a lot of good will with our employees.

**"What about our branch plants and offices? Is The Travelers set up to give them superior claim service too?"**

**"They'll answer that question for you with a very convincing map, Bob. That map will show you Travelers offices in all the principal cities of the United States and Canada. No matter where your branches are, there'll be a Travelers office near it."**

**"That certainly should speed up claim service. But what about that sympathetic handling of claims you mentioned?"**

**"The Travelers men who have dealt with us are all pretty likeable. And they certainly know their business. My insurance man tells me that The Travelers handles more than half a million employee claims every year."**

**"Is service like that expensive?"**

**"Not at all. As a matter of fact, by taking full advantage of The Travelers safety engineering and sickness prevention services, we've been able to earn substantial rate credits that cut the cost of our employee insurance considerably."**

**"That settles it. I certainly want to have a talk with The Travelers. Is there any particular person to call?"**

**"Just call a Travelers agent or your own broker. They can get company experts to work on your problem. Together, I'm sure they can set up a plan suited to your own particular needs."**

*On all forms of Employee Insurance you will be well served by The Travelers*

The Travelers Insurance Company, The Travelers Indemnity Company, The Travelers Fire Insurance Company, The Charter Oak Fire Insurance Company, Hartford, Connecticut.



*Consult the nearest TRAVELERS Life office for complete information.*

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## T. J. Falvey, Dean of the Casualty Front Ranks, Dies

### His Driving Enthusiasm Founded and Built Massachusetts Bonding

Timothy J. Falvey, dean of casualty-surety company chief executives in the



T. J. Falvey

United States, founder and president of Massachusetts Bonding, is dead. The 83 year old patriarch, last of the old-time casualty greats, planted and built his company at great personal sacrifice from scratch to greatness. He had been in poor health since earlier this year when a fall at his home severely injured one of his eyes. A son, Wallace J. Falvey, first vice-president and New York manager of the company, has been at the home office in recent months directing the company. Another son, Donald, is secretary-treasurer of Massachusetts Bonding.

#### Made Several Starts

Mr. Falvey was born at Lebanon, Conn., and after finishing high school there made several starts before finding the insurance business his medium. He was at one time a hat manufacturer, pioneered in establishing railroad station porter and checking service, and then became secretary of an advertising firm.

He went to New York in the late '90's and became acquainted with a man in the New York office of the United States Fidelity & Guaranty. This friend was enthusiastic about the insurance business and finally persuaded Mr. Falvey to enter it. His friend assigned him to a territory in New York selling on a tentative basis and from then on he was much more successful than most experienced producers, making fidelity bonds a specialty.

Mr. Falvey was almost won away from insurance shortly afterward when Western Union Telegraph asked him to take charge of development work in Minneapolis. The head of the New York office of U. S. F. & G. advised John R. Bland, who was then president of that company, that the valuable Mr. Falvey was planning to leave the business. Mr. Bland called him to Baltimore and offered him a position in the New York office which Mr. Falvey declined to accept because it would mean replacing the man who had brought him into the business. However, Mr. Falvey did agree to go to Boston as general agent. A strong friendship grew between the president and the young star salesman.

#### Boston Assignment Tough One

The new assignment was a tough one because at that time the company, although a leader in the casualty business, was not established in New England. Mr. Falvey had practically no acquaintance in Boston, and his partner in the enterprise, George Newhall, who was familiar with the territory, was killed in a subway accident at almost the outset of the project. Boston competitors at first felt sorry for Mr. Falvey, but soon were jarred into respect and when he wrote the biggest surety bond ever written in New England, they recognized him as a real competitor. He held

## Compensation Rates Drop Steadily as Benefits Rise

NEW YORK—Rates for workmen's compensation insurance have steadily declined in this country for the past 10 years while benefits have increased, Assn. of Casualty & Surety Companies announced following a review of recent rate increases allowed in some states. An average of compensation insurance rates in all states where private insurance is permitted shows present rates to be 23.4% below those of 1937, while benefits have increased 12.6% during the same period, the association said.

Recent small increases in rates in some states were necessitated by adverse industrial accident and occupational disease experience and rising costs of medical care and hospitalization, spokesmen for the association pointed out. Amendments to workmen's compensation laws have caused some increases in rates. It is estimated that the rates would now be 31.9% below the 1937 level without the amendments.

State	1940	1941	1942	1943	1944	1945	1946	1947
Ala.	.930	.843	.803	.726	.683	.652	.613	.584
Ariz.	1.000	1.000	1.000	1.000	.850	.850	.850	.850
Ark.	.....	1.000	.900	.851	.785	.748	.742	.730
Calif.	.....	.754	.753	.753	.693	.676	.676	.596
Colo.	1.005	.951	.916	.851	.799	.708	.621	.493
Conn.	.744	.707	.724	.724	.732	.745	.717	.761
Dela.	.944	.845	.769	.703	.553	.519	.516	.471
D. C.	.786	.761	.793	.689	.604	.551	.483	.434
Fla.	.813	.731	.643	.617	.617	.583	.540	.540
Ga.	.912	.901	.843	.812	.741	.650	.650	.691
Idaho	.949	.863	.870	.870	.969	.969	.873	.737
Ill.	.764	.717	.713	.687	.645	.645	.611	.584
Ind.	.828	.787	.748	.742	.688	.670	.665	.662
Iowa	.798	.800	.755	.755	.703	.703	.614	.549
Kan.	.846	.788	.810	.810	.714	.587	.574	.576
Ky.	.999	.957	.906	.871	.781	.654	.631	.613
La.	.947	.902	.849	.833	.833	.718	.655	.655
Me.	.826	.804	.750	.704	.655	.653	.643	.643
Mo.	.828	.769	.744	.695	.604	.521	.517	.565
Mass.	.799	.788	.764	.710	.710	.710	.629	.628
Mich.	.834	.791	.721	.691	.636	.535	.467	.469
Minn.	.748	.699	.668	.656	.647	.622	.567	.543
Mo.	.850	.805	.776	.760	.685	.656	.729	.735
Mont.	1.089	1.059	.954	.954	.880	.832	.807	.805
Neb.	.925	.881	.799	.786	.670	.563	.540	.498
N. H.	.937	.886	.829	.840	.843	.822	.801	.782
N. J.	1.018	1.069	1.133	1.083	1.035	.881	.844	.792
N. M.	.881	.908	.887	.919	.859	.766	.647	.620
N. Y.	.924	.899	.943	.915	.832	.819	.830	.830
N. C.	.837	.781	.756	.686	.618	.603	.617	.605
Okla.	.892	.867	.880	.818	.707	.614	.581	.581
Pa.	.804	.695	.628	.577	.529	.500	.461	.461
R. I.	.944	.933	.906	.814	.789	.789	.949	1.184
S. C.	.963	.963	.963	.910	.910	.910	.910	1.016
S. D.	.988	1.006	.913	.913	.866	.798	.749	.679
Tenn.	.870	.792	.792	.792	.657	.635	.630	.628
Tex.	.878	.808	.806	.761	.710	.625	.638	.632
Utah	.964	.920	.920	.934	.766	.766	.498	.427
Vt.	.815	.812	.784	.832	.765	.705	.660	.686
Wa.	.885	.850	.806	.756	.715	.659	.616	.615
Wisc.	1.032	1.007	.911	.889	.835	.773	.741	.741

the post for 10 years and entrenched his company solidly in the territory.

But Mr. Falvey had in mind the idea of creating a domestic surety and casualty company of national scope with its head office in Boston. Apparently from youth he had been determined to be the founder and head of an enterprise and was not content to work for other men. This was the background of the man who founded Massachusetts Bonding in 1907.

President Falvey founded the company with his own hands. The first agency appointments were made by him on a series of junkets which took him from coast to coast by sleeper. The habit of traveling, of actually observing conditions in the field and dealing with his agents first hand never deserted Mr. Falvey, and he was one of the most traveled chief executives in the business.

The agencies which he originally established have largely endured, a tribute to his ability to form lasting business connections based upon warm personal associations and mutual respect.

Mr. Falvey was never the over-hearty greeter type, and was discriminating in his friendships. He made numerous friendships that lasted. He was remarkably vigorous in thought and action, though never hasty in judgment, and extremely tolerant of the physical limitations of his staff, though he drove himself to the point of mental and physical exhaustion.

The following exhibit released by the association shows countrywide rate and benefit changes for the past 10 years, using 1937 as the base level:

Yr.	Rate Changes Excluding Amendments	Rate Changes Including Amendments	Benefit Changes
1937	1.000	1.000	1.000
1938	.969	.970	1.001
1939	.906	.900	.994
1940	.856	.856	1.000
1941	.820	.823	1.004
1942	.813	.816	1.005
1943	.784	.803	1.026
1944	.722	.744	1.031
1945	.717	.773	1.078
1946	.703	.768	1.093
1947	.681	.766	1.126

The 1947 figures include changes effective up to Oct. 15.

A comprehensive exhibit compiled recently by a member company of the association shows the following changes in compensation rates in the various states since 1940, using 1937 as the base year, omitting changes made to offset effects of law amendments:

State	1940	1941	1942	1943	1944	1945	1946	1947
Ala.	.930	.843	.803	.726	.683	.652	.613	.584
Ariz.	1.000	1.000	1.000	1.000	.850	.850	.850	.850
Ark.	.....	1.000	.900	.851	.785	.748	.742	.730
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Okla.	.892	.867	.880	.818	.707	.614	.581	.581
Pa.	.804	.695	.628	.577	.529	.500	.461	.461
R. I.	.944	.933	.906	.814	.789	.789	.949	1.184
S. C.	.963	.963	.963	.910	.910	.910	.910	1.016
S. D.	.988	1.006	.913	.913	.866	.798	.749	.679
Tenn.	.870	.792	.792	.792	.657	.635	.630	.628
Tex.	.878	.808	.806	.761	.710	.625	.638	.632
Utah	.964	.920	.920	.934	.766	.766	.498	.427
Vt.	.815	.812	.784	.832	.765	.705	.660	.686
Wa.	.885	.850	.806	.756	.715	.659	.616	.615
Wisc.	1.032	1.007	.911	.889	.835	.773	.741	.741

He had a gift for writing, and for many years his editorials have been a feature of the monthly company house organ.

Immediately upon hearing of Mr. Falvey's death, Spencer Welton, vice-president of Massachusetts Bonding at Chicago, hurried to the home office.

Mr. Falvey's credo is perhaps best summed up by a comment he made at Chicago 10 years ago about the casualty business: "It's a man's job. It's an honorable profession. It is a business you should love. And if you do love it, you will succeed in it, if you give it the application which you are able to give."

### Keetch Okla. Actuary; Chamberlain Named in Tex.

G. Y. Keetch, who has been actuary to the Texas board of insurance commissioners since January, 1946, has resigned to become actuary to the Oklahoma insurance department.

Tom T. Chamberlain, formerly assistant Texas actuary, has been named to succeed Mr. Keetch. He was with Prudential in actuarial work from 1935 to 1944 and was personnel director for Commercial Standard at Fort Worth from 1944 until he went with the Texas department last April. He graduated from Yale in 1935.

## General Revision of Auto Manual Is Effected

### Numerous Changes Are Embraced in Manual Overhauling

A general revision of the underwriting rules for automobile B.I. and P.D. was effected by National Bureau of Casualty Underwriters as of Dec. 1, in all states where the automobile casualty manual is applicable.

This is the first general revision of the rules since before the war. Several rules have been changed in order to place the manual in complete accord with the fourth revision of the standard provisions of automobile liability policies announced Dec. 1.

#### Medical Pay Transfer

For the convenience of manual holders the rate tables for medical payments have been transferred from the rules section to the rate section. Medical payments insurance for the use of other automobiles has been extended to be available to any person who purchases drive other cars coverage (limited form or broad form).

Throughout the rules the phrase "standard limits" has been changed to "basic limits" which more correctly indicates the limits of liability contemplated by the rates shown on the state rate sheets. Additional increased limits tables have been included to facilitate rate quotations.

While there is no general revision of rates in this revision there are a few rate changes contained in certain rules. The rates for insurance on automobiles repossessed by finance companies are reduced 33 1/3% and a reduced rate is made available to banks for such insurance. The B.I. and P.D. rates for drive-urself automobiles are increased 25%. A new commercial classification, rolling stores, has been established for trucks equipped as stores for which the class 4 rate applies.

#### Certain Rates Eliminated

Off-premises coverage and rates for dock and railroad station trucks have been eliminated because of the broadening of coverage under manufacturers' and contractors' liability policies to apply to such vehicles on or away from the premises.

For truckmen and bus operators an improved definition of gross receipts or gross earnings has been designed.

Specific rates have been made available for buses used to transport airline passengers to and from airports.

The drive other cars rule has been greatly simplified, clarified and placed in complete accord with the use of other automobile provision as contained in the fourth revision of the policy.

The rules which define various classes of public automobiles, i.e., private livery public livery, taxicabs, etc., have been amended to indicate clearly that the references to the number of passengers do not apply to the driver.

The rule for excluding liability for misdelivery of gasoline or oil when insuring trucks transporting these substances has been relaxed slightly. The new rule provides that policies covering these vehicles shall exclude accidents caused by the erroneous delivery of gasoline instead of oil or vice versa or the

(CONTINUED ON PAGE 12)

## George W. Orr Urges Hemisphere Adopt Warsaw Code

George W. Orr, director of claims of U. S. Aircraft Insurance Group, recommended in a talk to Inter-American Bar Assn. Conference at Lima, Peru, that the conference go on record as urging immediate adherence to the Warsaw convention by every nation in the western hemisphere.

The laws and procedures in different nations subject both international air passengers and the international airlines to great disadvantage, uncertainty, and expense in many cases, he said. Passengers have difficulty in determining their rights when they are injured in a foreign nation and the airline has difficulty in determining its liability and in taking releases even after a mutually satisfactory settlement has been agreed upon, he told the group. To remedy this situation, he recommended that the nations agree upon a uniform standard of liability. Though many of the principal nations of the world have adhered to the Warsaw convention only four nations in the western hemisphere are

signatories—Brazil, Mexico, the U. S., and Newfoundland (and certain European dependencies).

The Warsaw convention is a code of rules relating to international transportation by air. Its application is determined by the contract of transportation and not by the place of accident. It places primary liability on the carrier for injury to passengers, baggage and goods unless the carrier can prove that it was not negligence. It limits recovery for death or injury of passengers to the U. S. currency value of \$8,291, baggage and goods to about \$7.53 per pound, and \$331 for objects of which the passenger takes charge himself. However, if the passenger affirmatively proves that the damage was caused by wilful misconduct there is no limit. The limitation for bringing an action is two years.

### Financial Responsibility

Affirming his belief that each nation should solve its own problems in its own way, he said that the objective was the same as that with international insurance guarantee of adequate financial responsibility. Discussing compulsory insurance, he said: "No carrier should be permitted to operate without very definitely establishing its ability to meet the financial obligations growing out of its legal liability."

Other suggestions in his talk were that international air carriers should be permitted to insure with one insurer so that this single coverage may follow through in all the nations it serves, such as is done with marine insurance. Legislation should leave the protection of the public interest in each nation to an expert commission rather than attempt to give preference to national insurers, force a tribute in premium, or require unnecessary participation by local insurers. While the nationals of each nation can and should be protected, the object must be to furnish the most satisfactory coverage at the most economical rates, he observed.

Mr. Orr left for South America in November, prepared to deliver his talk in Spanish if the delegates desired.

### ADHERES TO CONVENTION

The liability of Pan-American Airways has been limited to \$8,291.87 by order of Supreme Court Justice Flannery of White Plains, N. Y., on account of the death of Arthur A. Lee of Harrison, N. Y., in the crash Feb. 22, 1943, at Lisbon, Portugal. His widow had filed claim for \$1 million. U. S. Aviation Underwriters has the insurance. Judge Flannery held that the Warsaw convention is applicable whereunder liability for death of passengers is limited to 125,000 French francs, which is the equivalent of \$8,291.87.

## Traffic Deaths Down 2% in Oct.

Traffic deaths in October dropped 2% below the same month last year, National Safety Council reports. The death toll was 2,960 compared with 3,020 in October, 1946.

This was the first time since April that the monthly toll of traffic deaths fell below the comparable month last year.

In the first 10 months, 26,160 persons were killed in traffic, a reduction of 4% from the 10-month mark last year. It is still touch and go whether the 1946 toll of 33,700 traffic victims will be cut down.

Travel at the end of nine months was up 14% over 1941. But deaths at the end of October were 18% below the 1941 figure. This reduction represents a saving of 5,760 lives, the council said, despite the greater chance for accident brought by more travel.

## Downey Scores Disability Companies on Recruiting

LOS ANGELES—Disability companies are doing a poor job of recruiting and the California department is considering withdrawal of certificates of convenience from about 25 of these companies because they are not obeying the statutes in respect to such insurance, Commissioner Downey told representatives of all branches of the business at a conference on license examinations. Mr. Downey said that holders of the temporary certificates showed the highest percentage of failure in the examinations, and are not studying.

The commissioner was in accord with some of the suggestions offered, but said others would require more study. Raymond H. Belknap, agency director of Occidental Life of California, suggested that an advisory committee be created without official status to advise on examinations and courses of study that will be required after Jan. 1 by the new code. Mr. Downey declared himself receptive to the idea in regard to courses of study, but said he wanted to think over the suggestion as it applies to examinations.

Robert L. Edgar, vice-president of the Lon Harlow & Co. agency, St. Louis, spoke over radio station KXOK on the Missouri Conservation Commission program.

## Some Underwriting and Selling Views of 3D Policy

There are several divergent views with regard to what should be done with the comprehensive dishonesty, disappearance and destruction policy. As time has gone on, the policy has proved to be more popular than it was at the outset. One interesting recommendation, which appears to have no chance of being acted upon in the near future, is a price discount for each additional coverage over one in order to encourage insured to purchase the additional insuring agreements.

On the other hand, some observers believe that the rates are not adequate for all of the coverages under the contract now, and that a price differential isn't justified. The idea in itself is rather unusual for the insurance business.

### Another Suggestion

Another suggestion has been made. The philosophy behind the policy is to give insured the protection of all or most of the separate coverages included in it, thereby providing greater protection; to give the agent a better sales instrument because it brings up five coverages instead of one at a time. Yet it may not be a good thing to include all of the coverages under one policy. This is a somewhat heretical view, but the point is made that insured gets nothing in the 3D that he cannot get under separate contracts. The American insurance business has grown to tremendous size because the companies could not write all lines, as in England and Europe. The fire company sold that policy, the casualty company came along and sold another policy, and so on. The policies were placed separately and one at a time, a policy here and a policy there.

The question is asked whether it is not better to place a money and securities policy at \$250 and a fidelity bond later on in the year at \$250 than to try to place both at once at \$500. The size of the premium where it comes all together at one time may cause insured to start thinking of how much he is spending for insurance. He may then shop around or cut the coverage. No one buys all the clothes he is going to need for the next year at one time. He spreads it out to make it easier to pay.

One danger that companies may run into in connection with a policy like the 3D, is that it is advertised as the only contract that does this and that. The trouble is that few of the 3D policies are complete, even eliminating insuring agreement 4 which few insured take. It is just possible that an insurance company will be sued at some time on a loss falling under one of the optional coverages in the 3D that was not taken, because insured relied on the advertising.

## Casualty Underwriters Plan Tour and Christmas Party

An afternoon tour of the Underwriters Laboratories will feature the Dec. 11 meeting of Casualty Underwriters Assn. of Chicago. Following this, the members will repair to the Sweden House for a Christmas banquet.

Louis Ollmert, Aetna Casualty, president, and R. M. Hallenbeck, Bartholomay & Clarkson, vice-president, are in charge of arrangements.

## Smith Takes A. & H. Post

Clem Smith, former Indiana state fire marshal, has been elected first vice-president of Police & Firemen's Insurance Assn. of Indianapolis, which writes health and accident insurance on police and firemen. He succeeds the late Orel Chitwood.



## MYSTERY MAN

Employees spend an average of 7 hours out of every working day on the job. But even after years of service, how well does any employer really know the people who work for him?

Family illnesses and death; high living costs and the struggle to make ends meet; bad companions; gambling—these are the foremost reasons why honest employees become thieves. And it's a rare employer who knows his people well enough to know when such danger threatens.

That's why, in big business or small, correct Fidelity Coverage is the only assurance an employer has that he won't suffer a serious loss through employee defalcations.

With "American's" four types of Dishonesty Bonds, you can provide the correct coverage for any need.



**American Casualty Company**

READING, PENNSYLVANIA

Capital \$2,000,000



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SAN FRANCISCO

## Boiler Inspection, Rating Procedures Problem for Buyers

The question and answer session on boiler and machinery coverage following the November meeting of Risk Research Institute in New York revealed that rating methods, inspections and details of coverage are of primary interest to buyers. A panel of experts answered questions from the floor. Panel

members were R. P. Griffin, district field manager of Mutual Boiler; J. F. Hunt, chief inspector for Hartford Steam Boiler at New York; R. F. Cavanagh, boiler manager for Marsh & McLennan, and R. T. Sprague, insurance manager for Electric Advisers, Inc.

The buyers want simplified rating methods on boiler-machinery insurance to expedite issuance of policies, facilitate the establishment of rates, and smooth loss adjustments. One buyer suggested that rating be based on generator capacity or some such method to eliminate the waste of time required by the present system of rating each unit, no mat-

ter how minor a part of the assembly it was.

One question asked was: "What is good practice on external and internal boiler inspection on the part of an insured?" In general, the panel answered that this depended on the location of the plant and the type of machinery in question. Many times the state laws specify the type and frequency of inspection.

For a large industrial plant, one internal inspection and two external inspections each year were suggested. On turbines it was recommended that inspections be done in the same manner as utility concerns handle their inspections. That is, after a specified number of operating hours, such as 5,000 to 8,000 hours. For insurance purposes it was suggested that there be two inspections a year or every time the turbines were opened. It was pointed out that the boiler carriers would like to make more inspections but that some firms will not close down long enough to allow them to do it. One veteran boiler inspector said if a manufacturing concern did not open its boilers for inspection purposes, it would be but a matter of time before the boilers blew themselves open.

### Suggestion to Buyer

One buyer wanted to know why he had to carry a \$1,000 a day U. & O. when he could use substitute equipment at the cost of \$100 a day. Apparently the reason for this is in the basic rating method. One panel member suggested that if substitute facilities were available and if the machinery could be replaced immediately, there is no necessity for carrying U. & O. on the replaceable machinery. Some discussion centered on the reason why the buyer must pay for excess limits on small objects. This, too, it was suggested, was necessary because some of the very minor parts of the entire mechanical assembly, if broken down, would force the entire plant to close down and consequently result in a high loss.

### Retrospective Rating

There was a brief discussion of the retrospective rating plan used by a few companies but to which others offer resistance. Though the plan has been referred to as an "actuary's dream" it apparently works successfully. It differs from the retrospective workmen's compensation plan in that the workmen's compensation plan is in terms of premiums and the boiler and machinery plan is in terms of losses. In setting it up, it was necessary to use many years' experience and convert all tables from premium expectancy to boiler and machinery loss experience. In general, it is only utilized with specific types of machinery that fall within a selected accident limitation.

There was some discussion of the quality of company inspection service and one buyer pointed out that he had recently heard of a case where a firm was suing an insurer because the firm received poor inspection service.

Several of the company men present discussed the different applications as to coverages written on a specific, and blanket-group basis. The buyers apparently do not like boiler carrier practice on indirect damage cover when it is written on a specific basis and later new boilers are installed. The buyers were informed that blanket-group cover is done on a more extensive and expensive plan, involving considerable work by insurance engineers and inspectors.

### Chicago Veterans Frolic

The Aetna 25-Year Club of Chicago held its third annual banquet with President Louis Ollmert, assistant manager of Aetna Casualty, presiding. Special guests were D. K. Weiser, manager of Aetna Casualty; Walter Samet, manager Cook County fire department, and George J. Olson, manager of the fire, brokerage and service departments. Retired members present were George M. Rieck and Robert Bolling. Ann McManus was sworn into membership. It was announced that in the coming year memberships for 25 year service will be

extended to A. J. Higgins, Lillian P. Rowlett, C. G. Wurth, Mae Paetzinger, June Cary, A. J. Fauth. A committee was appointed to obtain a bronze plate on which to place club members names in the office.

Entertainment was a skit presented by some of the members which they will repeat on Dec. 23 for the office Christmas party. There are currently 46 in the club, averaging 30 years' service. Membership is extended to both employees and brokers who office with the companies.



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But, fortunately, my agent won the argument by showing me that I was only partly protected against loss of money and securities. While it is true that burglaries and robberies are increasing, he pointed to the many other ways I could easily suffer such losses unless I had the new Broad Form Money and Securities Policy. For example: Through pickpockets, theft, fire, water, flood, explosion, windstorm, strikes, riots, civil disturbances and other hazards, both on and off the premises...

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Lillian F. Paetzinger, committee on bronze plate covers names

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## Life Companies' Problems in Writing A. & H. Reviewed

Problems involved in accident and health operations of life companies writing that class, with possibly major attention to agents' compensation, were discussed at a conference following the

is inevitable. He questions, however, whether the proper point for making the change has been reached as yet.

He said the agent should be paid for the job done and that the business is not yet at the stage where the work

done by the accident-health agent is directly comparable to that of the life agent. He has to do more work in servicing the business, due to a considerable extent to competition. The factor of persistency is different from life insurance.

However, there is not as much service after the first year. He feels that if there is to be a graded scale, the higher rate should be paid for the first year instead of the first quarter, as is done by some companies. Some restrict renewals

to nine years but Mr. L'Estrange would carry it farther. The first step in making a change, he said, should be to teach the agent that accident and health is not a casualty line but the inseparable partner of life insurance.

H. P. Skoglund, North American Life & Casualty, presented the advantages of the graded compensation plan. He said it is not a narcotic for all agency ills and that both plans have their place. The decision on this point is a matter

(CONTINUED ON PAGE 32)



G. A. L'Estrange



H. P. Skoglund

meeting of Life Insurance Agency Management Assn., at the Edgewater Beach Hotel, Chicago. It was under the direction of the L.I.A.M.A. committee which has been doing special research along that line with R. H. Belknap, Occidental Life, as chairman.

F. Hobert Haviland, Connecticut General Life, who presided, said that in its diversity of thinking and lack of standardization accident and health is now in a period which life insurance passed many years ago. He stressed its place in any really comprehensive programming effort and said that without accident and health a program falls down.

### Committee's Work Reviewed

Mr. Belknap reviewed the work of the committee and the recommendations it had to offer. He said there were so many diverse ideas and viewpoints that it was difficult to agree on a program, but feels that there is no reason for discouragement and that it will be possible to find common ground on which research work will be of value. He pointed out the necessity for some standards of comparison, particularly in a breakdown of statistics. He mentioned the difference in compensation plans and the need for research. It has been decided that a study of statistics shall be made jointly by agency men and actuaries to get at their full significance.

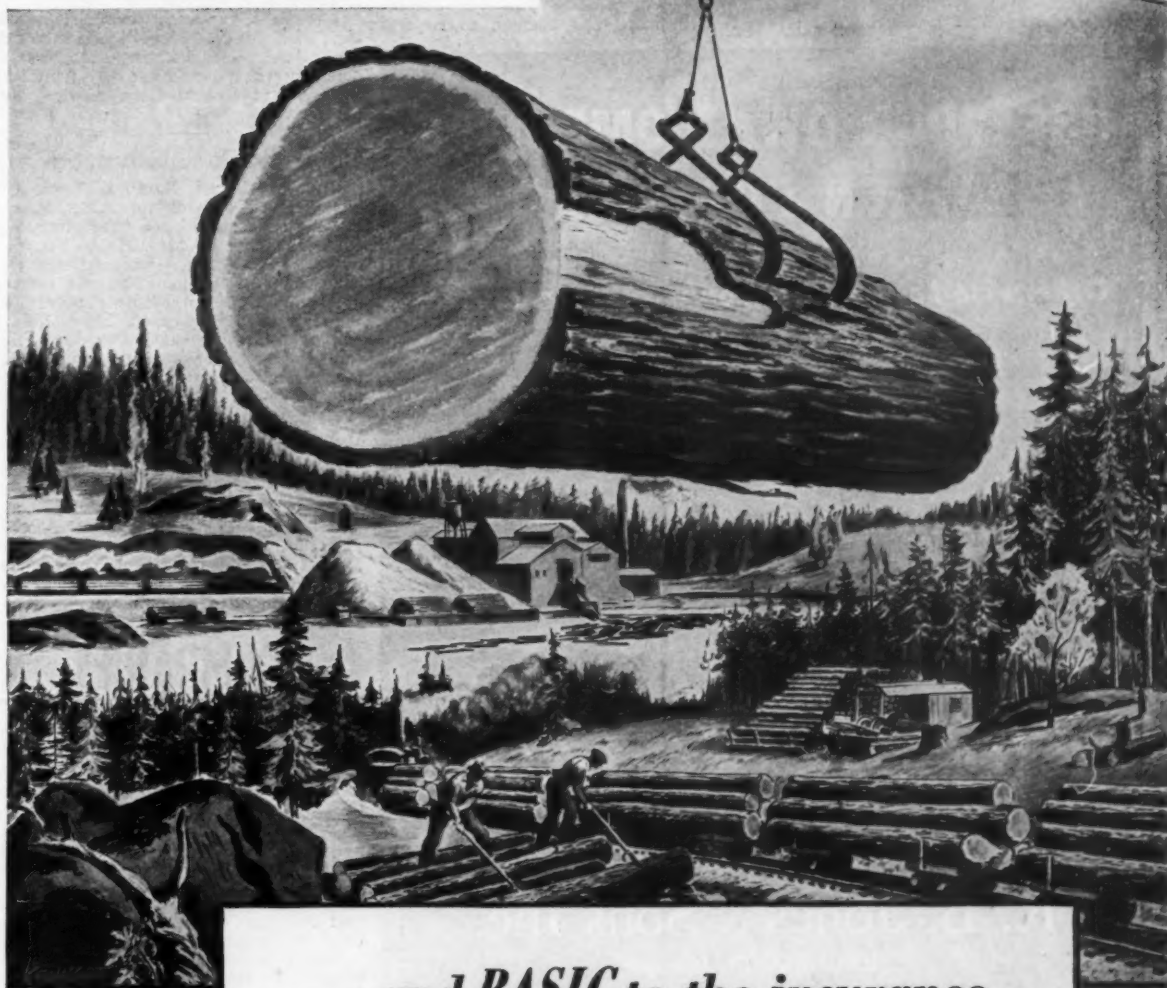
He summarized some of the recommendations made by a subcommittee headed by W. M. Rothaermel, Pacific Mutual Life, stating that its report would be published and sent to member companies. Points that it made included reduction in premium frequency, more thorough underwriting as opposed to underwriting at time of claim; a study of the non-confining sickness clause, elimination of identification and registration clauses, simplification of the classification manual, a standard time for policies to become effective, claims of insured in veterans hospitals, elimination of standard provision 17 and reducing policy restrictions, which it is felt would be better for agents.

Mr. Belknap expressed the hope that the trusteeship feeling among life companies may raise the standards of accident and health insurance. He looks on the organization as a means of pooling ideas on successful new things that are being done and allowing a company to adopt the methods of another which is doing a better job.

### Level vs. Graded Compensation

The commission question was the first one up for discussion, under the subject, "Level vs. Graded Compensation." G. A. L'Estrange, Wisconsin National Life, who was supposed to present the level premium side, said that while he has been operating on that basis for 25 years, in a tieup with life insurance it presents a serious problem and he has come to the conclusion that the ultimate adoption of the graded commission plan for accident and health

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## FIDELITY AND SURETY

### More Call for Contract Bonds

The contract bond business is stepping up, surety companies report. There is some private construction—of department stores, churches, and the like—while in the government field veterans buildings and hospitals, and in states and municipalities streets, highways, dams, bridges, prisons and schools are being constructed.

One difficulty in the construction field that is still apparent is that of getting contractors to bid on some of the large projects, particularly veterans hospitals. A surety man recently was asked whether he knew of a contractor inter-

ested in making a pass at one of these contracts.

The amount of public works is expected to increase substantially during the next year. For a time there was a good deal of resistance to the higher prices on the part of those who were accepting bids. The bids were too high. This attitude is changing. A contract for a job in one eastern city a year ago was bid in at \$6 million and the work was not let because of the high price. Several months later the bid was let at \$8 million, and the job is now under way.

### Plan Mich. Bond Survey

LANSING, MICH. — The finance committee of the Michigan state administrative board has decided to request

surety bond experts to conduct a survey of state departments, institutions and bureaus to help determine who should be bonded and the proper amounts of protection. The last legislature authorized a study of systematizing surety bonds throughout the state government.

State Treasurer Brake, a member of the committee, commented that "every department has been doing about what it pleases in the matter of surety bonds and it's time a general policy was adopted to cover all surety bond needs."

### Phila. Surety Men Elect

Bryan Leitch, National Surety, was elected president of the Surety Underwriters Assn. of Philadelphia at the annual meeting. Charles Perkins, U.S.F. & G., is vice-president; M. F. Perry, Maryland Casualty, secretary, and Frank Madden, Standard Accident, treasurer.

The new executive committee consists of Fred W. Moore, Hartford Accident; A. A. Michelbacher, Travelers Indemnity; Winder Keating, American Surety, and Robert Carr, Century Indemnity.

### Conn. Bank Reimbursed

Bristol (Conn.) Bank & Trust Co. has received a check for \$155,756 from Hartford Accident in reimbursement for embezzlements by Mrs. Helen Fournier over 18 years. Mrs. Fournier, who was head teller at the bank, now is serving a term of from three to eight years at the state farm for women. She had been employed at the bank 27 years. She said she used most of the money she took from the bank to play the stock market.

### VA Contract Awarded

Del E. Webb Construction Co., Los Angeles, has been awarded the contract by veterans administration for additional facilities at the Livermore, Cal., veterans hospital, at its bid of \$2,103,609. Maryland Casualty will write the payment and performance bond, with five other companies participating.

## COMPANIES

### New Minn. Company All Set to Go Ahead

ST. PAUL — The newly-organized Casualty Underwriters, Inc., is reported to have met the minimum financial requirements in the way of paid in capital and surplus and now is only awaiting a license. Directors have been elected, including both stock and mutual agents, and they are expected to meet some time in January to elect officers.

The new company is to be owned entirely by agents, although there is an arrangement whereby non-agents may own stock through an agent as trustee. Stock is being sold in units of \$10 capital and \$10 surplus. At the start the company will write only automobile insurance but will take on other lines later, according to the present plan.

### Kemper's Main Unit Has 40% Premium Gain in 10 Months

Lumbermens Mutual Casualty in the first 10 months had a premium volume of \$49,761,000, which is a 40% increase over the \$35,458,000 net premium writings for the same period of 1946.

Chairman James S. Kemper in reporting these figures at the policyholders semi-annual meeting, said a policy of strict underwriting and risk selection has been pursued. The volume could have been increased to "tremendous proportions", he said.

On the eve of the meeting members of the boards and examining committees of the Kemper companies were entertained at a formal dinner at Chicago Club, the occasion being the 35th anniversary of the founding of L.M.C. The first policy

issued to Rittenhouse & Embree Co., Chicago, was written exactly 35 years before the recent meeting.

Following the meeting, the members enjoyed a buffet luncheon at Saddle & Cycle Club.

### Examiners Add \$456,000 to Surplus of Ocean

New York, Iowa, Florida and West Virginia have completed a convention examination of the U. S. branch of Ocean Accident and of Columbia Casualty as at Dec. 31, 1946.

The reports are very favorable and show Ocean Accident with surplus to policyholders of \$6,996,449, an increase of \$456,090 over the amount shown in the annual statement filed by the company. Columbia Casualty is credited with surplus to policyholders of \$4,277,540, an increase of \$130,431 over the amount shown in the company statement.

Ratio of policyholders' surplus to volume of business transacted in Ocean is 66%, and in Columbia 83%.

### Report on Shelby Mutual

The report of a convention examination of Shelby Mutual Casualty by Ohio, Georgia and Michigan, now released, shows that at Dec. 31, 1946, assets were \$4,768,491 and surplus was \$993,240.

The reserves for losses and adjustment expenses on miscellaneous lines were fixed by the examiners at \$304,078 as against \$347,839, which was set up by the company.

The formula liability loss reserve determined by the examiners was \$939,964, which was \$33,551 less than that carried by the company.

Net premiums received in 1946 were \$3,637,287, losses paid \$1,259,992.

### Launch Farm Bureau Insurer

LINCOLN, NEB. — The \$100,000 Farm Bureau Insurance Co. of Nebraska, with headquarters in Lincoln, has been incorporated. It is to write accident, fidelity, liability, plate glass, boiler and machinery, burglary, sprinkler, automobile and domestic animals.

### Ohio Farm Bureau Opposes Compulsory Liability Law

Ohio Farm Bureau at a meeting in Columbus adopted a resolution favoring the strengthening of the motorists' financial responsibility law supported by a voluntary assigned risk plan and opposing compulsory motor vehicle liability insurance. Other resolutions adopted were that the federation continue its program of accident and fire prevention in cooperation with other organizations and that the departments of safety and hygiene of Ohio Industrial Commission, the state fire marshal's office and the agricultural extension service of Ohio State University give maximum attention to the solving of rural accident and fire problems.

The request from many counties for a special classification for farm bureau members with respect to insurance rates, is being studied by the Farm Bureau companies.

### Minn. "Comp" Rates Cut

ST. PAUL — Rejecting the proposals of the insurers for an overall 5% compensation rate increase for 1948, the Minnesota compensation insurance board ordered a 5.2% decrease. The board also denied a request of the companies for a 39.3% increase in the silicosis rate.

At the hearing the employers put up a strong fight against any increase at all and argued for decreases ranging from 7 to 13%. They used as a surprise witness Mark Kormes, New York consulting actuary, who testified that in the past 10 years compensation writing companies in Minnesota have collected premiums of \$14 million in excess of losses although during that period rates were reduced several times.

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DECEMBER 31st, 1946

CAPITAL	\$ 4,000,000.00
Surplus	5,202,508.93
Voluntary Contingency Reserve	750,000.00
Surplus to Policyholders	\$12,952,508.93
Reserve for Losses	7,320,969.41
All Other Liabilities	6,021,613.24
<b>TOTAL ADMITTED ASSETS</b>	<b>\$26,295,091.58</b>

NOTE: Securities carried at \$650,000.00 in the above statement are deposited as required by law.

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## ACCIDENT AND HEALTH

### Sterling Is Now Operating Solely on Agency Basis

Sterling of Chicago has changed to the agency basis and from now on will concentrate its sales effort solely on the development of its agency plant. It has discontinued its former plan of selling direct to the public. Sterling's sales efforts, formerly mainly in the field of limited health and accident policies and small units of life insurance, were recently expanded to include a full coverage line of A. & H. hospitalization, medical reimbursement and a standard line of life contracts, all primarily developed for agency sales.

General agents have been appointed in Ohio, Missouri, Iowa, Kentucky and Illinois. Plans are under way to qualify in many other states, according to Louis A. Breskin, president, who said that the rapid success of general agencies already established has brought about this radical change in the plan of operation from direct sales to promotion through its general agencies. A vigorous campaign in insurance publications is being undertaken to promote this program. Use of other media is scheduled for direct assistance to general agents.

Mr. Breskin is enthusiastic about the new basis of operation and is confident that Sterling's growth under it will far overshadow its past successful record.

### Wichita Sales Congress to Be Held Feb. 16-17

The Wichita Assn. of Accident & Health Underwriters will hold its sales congress Feb. 16-17, open to all accident and health men and women in Kansas and northern Oklahoma. E. L. Mack, Provident Life & Accident, Wichita association treasurer, has been named general chairman by President C. Ray Tyler, Loyalty group. Claude Jackson, Interstate Business Men's Accident, is publicity chairman. Margaret Teitzel, B.M.A., secretary of the Wichita association, will assist in arrangements. The Wichita congress last year attracted a registration of near 200. Several general agents will hold agency meetings at the time, as was done last year.

Plans for the sales congress were announced at last week's meeting of the Wichita association, at which Harry Tharpe, Tharpe Adjustment Co., Wichita, spoke on "Workmen's Compensation," outlining how it affects A. & H. underwriting. At this meeting it was voted to divide the offices of secretary and treasurer and Mr. Mack was named treasurer.

### Ohio Annual Meet April 9

The Ohio Assn. of Accident and Health Underwriters will hold its annual convention at Columbus, April 9. William Dignan of Cincinnati is president of the association and Homer Trantham of Columbus secretary and counsel.

### Standard L. & A. Sales Meet

The annual sales meeting of Standard Life & Accident of Oklahoma City will be held Dec. 12. Following a welcoming address by President W. R. Emerson, C. B. Sherrill, Tulsa, will discuss "Individual Hospitalization," Gale Richmond, Muskogee, "Group Hospitaliza-

tion," and Gregory Venters, Oklahoma City, "Lifetime Coverage."

W. R. Savage of the home office will speak on "Underwriting," A. H. Wood, home office, on "Collections," and C. Fred Freil, director of agencies, on "Selling Accident, Health and Life Insurance as a Single Package."

Standard L. & A. will show an 85% increase in premium volume for 1947, Mr. Creel said.

### Daugette Agency Head

C. W. Daugette, Jr., has joined Pioneer Life & Casualty of Gadsden, Ala., as director of agencies. Prior to the war he had served as agency manager for Protective Life and since leaving army service he has been a general agent of Provident Life & Accident. He emerged from the service with the rank of colonel and his decorations include the bronze star, purple heart and military cross of Italy. He graduated at State Teachers College, of which his father was president for 40 years, and at Alabama Polytechnic Institute. He is president of First National Bank of Jacksonville, Ala.

### Reeves Atlanta Speaker

Atlanta A. & H. Underwriters Assn. was addressed by Elbert Reeves, general agent for Jefferson Standard Life there. Also short talks were made by Mr. Newbanks of Hapeville, Ga., and Louis Weill of General Accident at Atlanta.

The sales congress which was originally scheduled for Nov. 14 has been postponed until spring.

### Advance Ely in Indiana

Samuel Ely has been appointed manager of Bankers Life & Casualty at Indianapolis. He succeeds Don Haworth, resigned. Mr. Ely has been with the company there for six years, the last year as sales manager.

Liberty Life & Accident Assn. of Muskegon, Mich., is offering an infantile paralysis policy with benefits up to \$5,000.

Roger Kilkenny, veterans claims adjuster for Tri-State Casualty of Tulsa, and attached to the Neil L. Toedman agency of Topeka, is recovering at St. Francis hospital, Topeka, where he had been confined the last month.



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New York Broker.....	\$875
Georgia Broker .....	298
Minnesota Broker .....	335
Pennsylvania Broker.....	451
Ohio Broker .....	616
Oregon Broker.....	620
Massachusetts Broker ....	1,104
Kansas Broker .....	312
Illinois Broker .....	1,148
Texas Broker .....	254

## CHANGES IN CASUALTY FIELD

### To Fete Stevick on Retirement

SAN FRANCISCO—The insurance fraternity here is arranging a testimonial dinner Dec. 10 for Guy LeRoy Stevick, famed vice-president of Fidelity & Deposit, with headquarters here, who is retiring Jan. 1. Mr. Stevick is 83 years of age. He is by all odds the dean of fidelity-surety men on the coast and a man of national renown.

### Stuberg Returns to Coast with United Pacific

Alfred O. Stuberg, well-known surety underwriter, is returning to the Pacific northwest, where he was manager for Massachusetts Bonding prior to being made assistant manager of the

contract bond department of the company at the home office five months ago. He joined United Pacific Dec. 1 as manager of the surety department in the Portland office. For 16 years before going to Boston, he had supervision over Washington, Oregon and Idaho for Massachusetts Bonding, with headquarters at Seattle.

### McNerney Buys Agency

Ambrose T. McNerney has purchased the St. John-Kelley agency of Travelers at Des Moines. He will serve the clients of James Kelley and the late LeRoy St. John. Mr. McNerney was claim adjuster and office manager of Hawkeye Casualty for 12 years.

### Maryland Veteran Retires

Otto Kaufmann, manager of the New York claim office of Maryland Casualty since 1913, has now retired. Mr. Kaufmann joined Maryland in 1901. He is one of the two living charter members of Metropolitan Claim Conference and was one of the organizers of the arbitration committee formed by Metropolitan Claim Managers Conference.

## Urges Use of Public Health Service in State Disability Plans

Wider use of public health officials in administering state disability is advocated in an article in the Nov. 21 issue of "Public Health Reports." The article also criticizes the use of private insurance companies in such programs.

Milton I. Roemer, surgeon of U. S. Public Health Service, is the author. His central argument is the advantage of using public health physicians in certification of disability claims, but notes that there are many issues in the question running beyond certification, and among them is "allowing workers to 'contract out' for their disability protection through private insurance companies. Social insurance experts offer numerous objections to this policy . . . from the point of view of health opportunities it would seem to be objectionable. The integration of the disability insurance program with the activities of state and local health departments would probably be extremely difficult with respect to those workers who are insured by independent private companies. Each company has its own certification system and neither the claim form nor the individual worker makes direct contact with a public agency."

### Decries "Slighting" of Officials

Dr. Roemer decries the slighting of the public health officials in favor of independent physicians. Medical examinations, he remarked, could be performed by doctors on the health department staff, or by private physicians already serving in public health clinics. This would apply, especially in California, where the territory to be covered is large. State and public health officials, he claims, are in a good position to know the local physicians best qualified for carrying out this type of function. Necessary administrative supervision over medical procedures could be more effective on this basis.

The California plan is administered by the state department of employment and physical checkups are made by private physicians on a fee basis.

### Randall Asks That Private Enterprise Be Advertised

Jesse W. Randall, president of Travelers, told members of the Greater Buffalo Advertising Club that private enterprise must advertise and sell its benefits as well as its products and services. He said that while industry has done a good job in advertising and selling its tangible products, it has failed to sell the intangible values of the system, those freedoms which exist only where private enterprise flourishes. He stated that it is no coincidence that freedom of the individual and private enterprise go together and that on any comparison of results and merits, the

American system has nothing to fear from competition.

Mr. Randall deplored the fact that such a large percentage of the American people has lost faith in the system which enabled us to win the war and that so many young people question the value of the system. Admitting that some greedy men have discredited capitalism in the past, he warned that the abolition of capitalism would not result in the abolition of greed, but would further it in a more dangerous form as greed for dictatorial domination over people.

Mr. Randall said another criticism leveled against private enterprise is its failure to provide employment for all during all stages of the business cycle and its susceptibility to periodic depressions during which millions of people are unemployed. He said here the fault lies in the weaknesses of human nature, rather than in the system itself. He urged that private enterprise do everything it can to mitigate the effects of a depression by postponing its borrowing and spending for expansion during boom times rather than going ahead with it when business tends to slacken off. He declared that industry must educate the people against spending borrowed money during booms and then repaying the borrowed sums when money is less plentiful. Mr. Randall warned that if enterprise grows large and forms trusts or cartels, it is inviting nationalization, since it is wrapping itself into a neat package satisfied to produce standardized products.

He was not convinced that state ownership and state control of industry is inevitable, pointing out that the United States and Canada, the only remaining exponents of private enterprise, are the only prosperous nations left and their straining to save the rest of the world is causing many who were critical of private enterprise to revise their opinions.

### N. Y. Ruling Excludes Vets from Statutory Limitation

The appellate division of the New York supreme court has ruled that a veteran may sue for damages for the death of his mother despite the two-year statute of limitations.

The case arose when the mother of Ralph Stutz was killed by a taxicab in March, 1943. Mr. Stutz was in the army from May, 1942 until March, 1946.

In November, 1946 the suit was dismissed because of the statute of limitations. The appeal court, however, held that the New York military law suspends the statute of limitations in favor of any person in the military service. This is the first time that the law has been applied to a case involving damages due to the alleged wrongful death of a relative of a serviceman. Previously it has been held to apply only in cases of contractual relations of the serviceman, or in case of personal injury to himself.

## WANT ADS

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### ACCIDENT AND HEALTH CLAIM ADJUSTERS

Well known casualty company has openings in Detroit branch and home office for qualified men with knowledge of accident and health claim work. These are permanent situations offering unusual opportunities in a nationally known multiple-line insurance company. Outline full experience, details and salary requirements. Address O-7, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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### WANTED

Young men 25 to 30. Progressive Automobile insurance company has openings for ambitious young men to become special agents in Minnesota territory. To arrange interview, write O-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## PERSONALS

Thomas B. Fulmer, formerly manager of Travelers in Columbus, O., has returned to that city from Cleveland, where he has resided for 21 years, and joined his son, Dan D. Fulmer, in his agency. For seven years Mr. Fulmer was agency instructor for Travelers in Cleveland, later establishing his own agency.

Harold A. McKenna, Chicago resident manager of the Phoenix-London group, is now back on location after having undergone an operation at St. Luke's hospital.

## DEATHS

Frederick M. Kimball, 36, casualty manager for Hollis, Perrin & Kirkpatrick of Boston, died at his home in Brookline, Mass. He saw service in the navy in the Pacific in the recent war.

Carlton R. Moore, III, 69, secretary of Virginia Health & Accident, died at a Richmond hospital. A veteran of the first war, he became secretary of Virginia Health & Accident Assn. when it was formed in 1932. He was an alumnus of the College of William and Mary and a law graduate of the University of Richmond.

Dr. Harry S. King, 76, medical superintendent of the Michigan Mutual Liability hospital, died at his home at Detroit.

### Open Stock Demand Levels Off; Home Cover Better

Open stock burglary business is tapering off as inventories level off. Inventories rose during the war and immediately thereafter, and the price value of such inventories continued to go up until recently, but the burglary departments of the casualty companies note a leveling off of the amount of insurance placed in recent months. Experience of the companies has been very good on the line this year.

The residence burglary and outside theft contract is much improved in most areas. Increased rates have helped, it is said. In about 40 states, the contract is satisfactory for the companies. The outside feature is still the bad one, although the application of a rate to that coverage and then a rate increase gradually is eliminating much of the outside insurance in the states with poor experience.





## Self-Insurance Plan for N. J. Buses Hits Snag

The proposal of the New Jersey Motor Bus Assn. that bus operators self-insure their public liability risk up to \$2,500 has hit a snag. The proposal was made to the New Jersey Board of Public Utility Commissioners and the insurance department, but neither department has the personnel or money for handling self-insurance arrangements, which would include qualifying the bus companies as insurers.

According to George Eichler of Jersey City, counsel of the motor bus association, the real purpose of the proposal was to secure greater participation by the casualty companies in the bus insurance field.

### Conferences With Dorsett

Mr. Eichler has been conferring with J. Dewey Dorsett, general manager, Assn. of Casualty & Surety Companies, in an effort to get more casualty carriers to write bus business in the state. As of July 3, the New Jersey board of utility commissioners made a study which showed that of 4,500 buses in the state required by law to be insured for public liability to a minimum of \$5,000/\$7,500, 50% were insured in two companies and the remainder in 32 others.

This shows what could happen if one of the two insurers went broke, he said. The collapse of Keystone Mutual Casualty temporarily paralyzed public transportation in New Jersey. This was solved by the assigned risk plan, but neither the association nor its individual members like this method of doing business. They believe they are in a legitimate enterprise and don't want to beg for insurance. In the past they have been able to secure protection in the usual way, through brokers and agents. They like to know in advance what company they are doing business with. Under the assigned risk plan they don't know. They want a free market and believe the casualty companies should develop it.

### Cite Cost Penalty

The assigned risk plan, Mr. Eichler pointed out, is voluntary, and the companies could discontinue it in a moment if they wished. In addition, there is a penalty in cost, which is one of the main reasons for objecting to the assigned risk plan, though bus operators feel that they could work out the matter of the extra charge. The bus operators want to be treated like other risks, with experience determining the rates.

The bus association does not want legislation to get insurance, it wants to get insurance in the normal way, Mr. Eichler said. There are over 100 casualty companies writing business in New Jersey and there is no reason why the bus risks should not be spread over 34 or more companies and not principally in two companies. The bus companies are willing to cooperate, he said, and he is going to have another conference with Mr. Dorsett.

Mr. Dorsett has indicated to Mr. Eichler that the reason his companies don't write more bus business in New Jersey is because they are not geared to provide safety service for bus fleets.

### To Submit Pooling Plan

Mr. Eichler now will submit a pooling plan for sharing bus risks to Mr. Dorsett. Deputy Commissioner Gough of New Jersey has conferred with the bus association and with Mr. Dorsett on the problem. The state is very much interested, Mr. Eichler points out.

Unless more companies become interested in writing bus business in a free market in New Jersey, Mr. Eichler believes the only alternative is to take the problem to the 1948 legislature. The bus association, he indicated, will not stand by on the basis of present conditions. He suggested that the insurance companies can't take the cream of the casualty business in New Jersey and not

take some of the milk. However, he is hopeful that something can be worked out with the insurance companies so that a plea to the legislature for relief will not be necessary.

## See Auto Profit in 1948 if Prices Don't Spiral Again

The companies writing automobile casualty business will experience the full effect of the rate increases next April, and at that time will be able to tell whether or not the rates are at a satisfactory level. If there is not another round of price increases, company men believe rates will be high enough, and that 1948 operations may be profitable.

One large company that is going to have a 50% increase in automobile premiums for 1947 finds that 30 points of the 50% are due to rate increases and 20 points to new business. The latter has come from new automobiles on the road and from the additional cars of all ages that now are in operation. However, most of it has come from the business abandoned by other companies. The 50% increase has been registered by the company although it was operating under a policy of taking as little automobile business as it had to.

## Satevepost Exposes Accident-Prone Problem

"Should You Be Allowed to Drive?" is the title of an article by David G. Wittels in the Dec. 6 issue of the "Saturday Evening Post." The article is one of a series on safe driving, another story entitled "Licensed to Kill" having appeared a few months ago.

The article says that "the sober truth about the carnage on our highways is this: It isn't bad roads, bad weather or bad cars that cause accidents; it's bad drivers. And the chances are you're one."

### Keep on Having Accidents

The article attacks accident-prone drivers who, "because of psychological factors, keep on having accidents. A survey showed that less than 4% of the drivers fell into the accident-prone class. But that small group caused nearly 40% of the accidents. That type of driver kills about 13,000 people a year. Most such drivers can easily be detected beforehand by psychiatrists, but not a single state has psychiatrists on its licensing staff. Tests can point out 92% of such drivers.

"For example, 77% of the accident-prone drivers examined in one study had

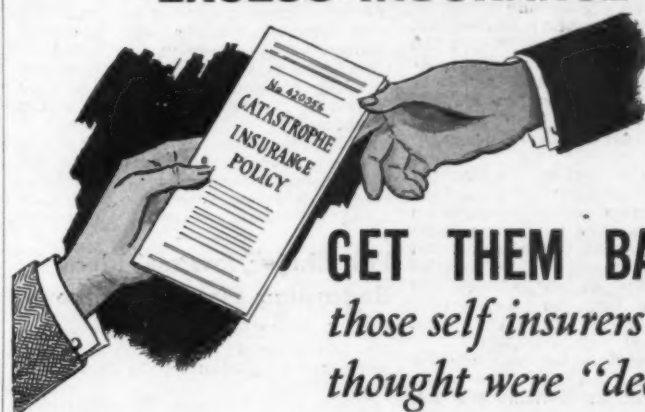
low blood pressure, as against 3.5% of the general population. Low blood pressure furnishes a good tip-off that the applicant should be examined with extra thoroughness."

The Post article also states: "Not a single state has given driving tests to all its drivers. Of all drivers now holding licenses, 60% have never had a test to prove they know how to drive. This is because most states began licensing drivers only comparatively recently, and when they did, they exempted from examination all those already driving."

## But One Bid for Mich. Motor Vehicle Fleet

LANSING, MICH.—Only one bid, that of the Michigan Mutual Liability, was received for the state's motor vehicle fleet business covering public liability and property damage. The finance board recommended acceptance of the bid, with a premium of \$39,951, an increase of about \$15,000 over last year. The state fleet has been increased by about 100 vehicles, now totaling 2,530.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Commission Cut Fight Indicated at Minneapolis

MINNEAPOLIS — Local agents in Minneapolis who are getting notice of commission cuts are being advised not to take them without a fight. At the quarterly meeting of the Insurance Agents Assn. of Minneapolis Dec. 1 the proposed reductions drew hot fire and agents were advised to stand on their legal rights under their agency contracts.

Previous to the meeting the directors of the association went on record as opposing reduction of commissions on extended coverage and windstorm insurance, notice of which is being sent out by some fire companies. The effective dates of the cuts are set as Dec. 1 in some cases and Jan. 1 in others. In a letter to members, President Tom von Kuster said:

"We urge every agent to study his agency contract carefully. Practically every such contract contains the fol-

lowing clause relative to commissions: 'Commissions shall be at rates and over such terms and limitations as may be mutually agreed upon.' We advise that every agent give serious consideration to this matter before in any way agreeing to or accepting the new proposed reduction in commissions.

"You are cautioned against filing your monthly account current or remitting net premiums under the proposed change, as by so doing you could be considered as virtually agreeing to and mutually accepting the change in your individual agency contract with the company."

This subject was one of the hot topics at the conference of committee chairmen, regional presidents and executive committee members of the Minnesota Assn. of Insurance Agents here.

### Poll Shows Iowans' Ideas Regarding Fire Insurance

DES MOINES — The Iowa poll of the Des Moines "Register & Tribune" brought out some interesting answers on fire insurance.

While 56% said they have increased their fire insurance because of increased values caused by higher prices, 38% replied they had not and 6% were uncertain whether they had or not. Those answering this question were from the 81% that said they had fire insurance coverage.

Most of the group not increasing their coverage said it was merely because of negligence while others answered that increased insurance is not necessary or that they can't afford the increase.

Among those that have fire insurance, the majority was uncertain about the term "extended coverage." There were 41% who said their fire insurance included extended coverage but 7% said it didn't, 20% didn't know and 32% said they didn't know what extended coverage means.

Iowans also showed a wide lack of knowledge concerning the depreciation clause. There were 43% who were aware that fire insurance companies allow for depreciation but 46% said they did not know and 11% said the insurance companies didn't allow for depreciation.

### Ohio Special Session On

COLUMBUS—The Ohio legislature met in special session Wednesday. While the purpose of the special session is primarily to readjust highway funds, made necessary by the adoption of a constitutional amendment forbidding the diversion of gasoline taxes from highway purposes, bills also will be considered giving additional funds to the insurance department for operation of its rating bureau and to the state fire marshal for operating new bureaus set up in that department.

### Increase St. Louis Dues

ST. LOUIS—The Insurance Board at a special meeting voted to amend its by-laws to increase the dues for active members to \$45 per year and associate members to \$17.50.

Proposed amendments to the constitution to create a new position of chairman of the board, to be filed by the retiring president, were laid over to the January general meeting.

### Kan. Chairmen Announced

Charles Schoonover of Bosworth & Schoonover, Garden City, president Kansas Assn. of Insurance Agents, has announced his committee appointments. Chairmen are: Finance, Nesbitt C. Fink and Erwin Keller, Topeka; fire

prevention, Reuben Miller, Hutchinson; safety and accident prevention, Nesbitt C. Fink, Topeka; membership, V. Murl Richmond, Salina; farm writing, Alex Case, Marion; conference, V. G. Henry, Wichita; local board and education, Marjorie Wilson, Topeka; short course, Robert Charlton, Lawrence.

### Downey Talks to Agents

G. H. Downey, Indianapolis branch manager of Buckeye Union group, addressed the Adams County Assn. of Insurance Agents at Decatur, Ind., Monday on business interruption insurance. Excellent attendance demonstrated the interest in this coverage. The meeting was sponsored by the Indiana association. Mr. Downey answered questions from the floor.

### Gregory, Johnson Speak

Bennett G. Gregory, manager of the Insurance Board of St. Louis, and Ralph Johnson, assistant manager of Equitable Society, spoke on the need for proper insurance protection in providing real social security at a meeting under the auspices of the St. Louis chapter of the Red Cross.

### Klie Awarded Plaque

Robert Klie, former president of the Columbus Insurance Board and later state trustee for central Ohio, was presented a distinguished service plaque at a meeting of the Columbus board. The award was made by Ohio Assn. of Insurance Agents in recognition of Mr. Klie's contribution to the agency system and his service to the public.

### Perlet Takes Up Duties

COLUMBUS—Harry Perlet, newly appointed chief of the rating section of the Ohio department, took up his duties this week. The governor has asked the legislature, now in special session, to appropriate \$39,350 for the operation of the rating department. Companies must file their rates by Jan. 1. Mr. Perlet has been with Ohio Inspection Bureau and Western Actuarial Bureau at Chicago.

### Plan Kan. Zone Meetings

A series of at least eight zone meetings is planned by Kansas Assn. of Insurance Agents early in the year. Each of the eight zones will hold at least one group meeting which will feature educational programs.

### Gray at Ashtabula

Theodore M. Gray, executive secretary of Ohio Assn. of Insurance Agents, addressed the Ashtabula county association at a meeting in Ashtabula Monday night.

### Paradise on O. L. & T.

Jack Paradise, special agent of U. S. F. & G., spoke on O. L. & T. contracts at a meeting of the Spokane Insurance Assn. He stressed the importance of property damage liability coverage. Medical payments coverage is not being adequately sold on this form, he said.

### Promotes Vegetarian Thanksgiving

John J. Driscoll, president Detroit Assn. of Insurance Agents, also is president of the Detroit Vegetarian Club.

On short notice, Mr. Driscoll organized a vegetarian Thanksgiving dinner for his club and Detroit vegetarians at large. The Detroit "Free Press" reported the dinner in a page one story the following morning, noting that the group had a six-course dinner entirely free of meat, fish or fowl.

## SOUTH

### Tenn. Auto Dealers Win License Fight

NASHVILLE—The Tennessee supreme court, reversing the court of appeals, ruled that automobile dealers of the state may be licensed to sell automobile insurance as representatives of Motors of New York.

Litigation dates back to early 1946 when R. Fred Ogle, an automobile dealer, applied to Commissioner McCormack for license. This application and about 100 others were rejected. The commissioner granted the dealers a hearing which lasted several weeks, but continued to refuse the license. The dealers, as a group, filed a petition for a review of the commissioner's ruling by the Davidson county courts and won the decision there. However, on appeal, the state court of appeals reversed this decision and the dealers appealed to the supreme court.

Joining the insurance department in all these actions were Tennessee Assn. of Insurance Agents and Tennessee Assn. of Mutual Agents. The only recourse now is a petition for rehearing, which is not likely to be sought. Local agents have been pushing the bank-auto plan and will continue to use it, although they may be handicapped considerably by this decision.

### Allen Expected to Be Next Birmingham Agents Head

The Birmingham Assn. of Insurance Agents will elect officers at a meeting Dec. 8. Wilbur K. Allen of Cobbs-Allen & Hall is expected to advance to president. He has been vice-president and legislative chairman, and also is legislative chairman of the Alabama association.

The organization also will vote on proposals to amend the constitution to provide for more income. Plans will be made for the inaugural dinner-dance in January.

### Parkerson Corp. Marks 50th Year with Ambitious Book

Parkerson Insurance Corp., general agents at Lafayette, La., has issued a handsome book commemorating the 50th anniversary of its founding in 1897 by S. R. Parkerson. Sketches of all those connected with the various Parkerson insurance enterprises and of the 80 local agents which represent Parkerson all over the state were made for the book by Dario D'Oporto, famous portrait artist. Biographies accompany the sketches. There are historical and insurance articles by James D. Parkerson, president, and many others, together with interesting facts about Louisiana.


### Okla. Regional at Hugo

Oklahoma Assn. of Insurance Agents holds a regional meeting at Hugo Dec. 5. Speakers are Sam H. Stewart, general agent at Tulsa, and George McFall, Oklahoma City, chairman of the conservation committee.

### Ala. Committees Meet

The committee on rates, rules and forms of the Alabama Assn. of Insurance Agents held a joint meeting with the executive committee of the Alabama Fieldmen's Assn. in Birmingham Tuesday. Among matters discussed were plans for improving the handling of corrections sent out by the rating bureau.

The committee is headed by W. H. Murphree, Troy, vice-president Alabama assn. C. A. Harris, manager Alabama



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Inspection & Rating Bureau, attended and gave advice.

The executive committee will meet in Birmingham Dec. 10 and is expected to fix a new date for the mid-year meeting in Montgomery. The dates originally fixed were found to conflict with the mid-year meeting of N.A.I.A. in New York in April.

The legislative committee will hold a special meeting with the executive committee to study insurance legislation.

#### NEWS BRIEFS

The second congressional district of Georgia Assn. of Insurance Agents has elected P. J. Cook, Moultrie, president; E. J. Vann, Jr., Camilla, vice-president; and Charles M. Parker, Thomasville, secretary-treasurer.

Leroy Brigman, investigator of the Texas department, is in a hospital at Dallas, where he underwent a major operation.

Insurance Women of Birmingham will hold its annual election and installation of officers Dec. 9. Mrs. Josie Dean, formerly with Boykin & Branch, general agents, has been president. Mrs. Grace White, Robinson-Adams Co., vice-president, is expected to be advanced. M. R. McGruder, manager Alabama Assn. of Insurance Agents, will conduct the installation.

The Gould agency, Blackwell, Okla., has been sold to L. K. Moffatt of Cushing. It has been operated by Mrs. Margaret Gould since the death of her husband three years ago. The new owner is her son-in-law and has been with the R. G. Boatright agency at Cushing.

E. R. Dischinger and E. D. Armlintor have formed a partnership to engage in the insurance business at Kerrville, Tex.

### EAST

#### Robertson Joins O'Brien, Russell

Peter Marshall Robertson has been appointed an associate manager at Boston of O'Brien, Russell & Co.

Mr. Robertson is the son of H. Marshall Robertson, president of General Security Corp. of New York. He was educated in London and Ontario, and after attending Amherst College joined the Canadian air force in 1942. After service in Europe, he joined Aero Insurance Underwriters as a student underwriter. He was later sent to Seattle. In 1946 he joined the aviation department of Cravens, Dargan & Co. in San Francisco as assistant manager for California to Alaska.

After an initial stay in Boston, Mr. Robertson will proceed to London and the continent to study conditions there for future development.

#### M. F. Ramsey Honored

BOSTON—Merrill F. Ramsey was honored for 25 years' service with Continental by his associates in the Kaler, Carney, Liffier & Co. agency at a luncheon and was presented many gifts. Thirty-four associates who had been with the agency for the same length of time made up the party. Arthur S. Nelson was toastmaster. Secretary LeRoy Brown of Continental was present.

#### Carver Wilmington Head

Meredith Carver has been appointed manager at Wilmington, Del., of General Adjustment Bureau, succeeding the late Warren D. Cass, Jr.

Mr. Carver had acted as adjuster-in-charge at Wilmington during Mr. Cass' absence because of sickness. Starting in the insurance business in 1922, Mr. Carver became an adjuster in 1932. Prior to joining the bureau in 1944 he was an independent adjuster at Charleston, W. Va.

#### New Mass. Committees

New committees for Massachusetts Assn. of Insurance Agents have been appointed by President Dana J. Lowd.

The conference committee is headed by Mr. Lowd; finance, Arthur B. Fair; legislative, Leo R. Mongeau; membership, Graham Smith; fire and casualty prevention, Walter S. Attridge; commissions, Russell D. Chase; financed accounts, Robert M. Goss; constitution and by-laws revision, Harold D. Barnes; qualification of agents, Harold D. Barnes; farm and small town agents, Phillips F. Brooks; automobile liability, Arthur B. Fair; educational, Francis R. A. McGlynn.

#### New York Regional at Glens Falls

Glens Falls Board sponsored a regional meeting for New York State Assn. of Insurance Agents. Speakers were Carl Typermass, deputy New York superintendent; Harry R. Reoux, member of the joint New York legislative committee; A. C. Deisseroth, state president.

Donald T. Williams, son of Fred H. Williams, Hartford, general agent of Century Indemnity and agent of World F. & M., is now associated with his father. He has just completed Aetna Fire's home office school and had previously graduated from Travelers' home office life school.

### COAST

#### Seattle Blanket Club Installs New Officers

Father J. B. Delaunay, dean of men of Portland (Ore.) University, spoke at the bosses' night banquet of the Seattle Blanket Club. Commissioner Sullivan spoke on the administrative phases of the new code. New officers installed were: Ed Swanson, LaBow, Haynes Co., president; Stanley Dec, vice-president; Gregg MacDonald, secretary, and Kirby Torrence, treasurer, the latter three being with D. K. MacDonald & Co.

George W. Clarke of Clarke, Clarke & Albertson, a past president of the club, presented the Roy M. Vaughan Memorial Plaque to Tom Telfer, D. K. MacDonald & Co., and Ralph C. Lewis, Northwestern, immediate past president, for having made the greatest contribution to the advancement of the organization. Mr. Lewis was toastmaster. About 145 attended.

#### Offices in New Quarters

The Washington and Oregon offices of Providence Washington have been installed in new locations by Charles E. Currey, Pacific Coast manager, who is visiting the northwest in company with G. E. Roloson, assistant manager.

The Seattle office, of which Elmer D. Solsness is branch manager, is in 629 Dexter Horton building, and the Oregon office, under Ted Nickerson, branch manager, is in 316 Pacific building, Portland.

#### Smith Joins Durham & Bates

Peter R. Smith, manager at Portland, Ore., for R. A. Clancy & Co., has joined the Durham & Bates agency there as head of the marine department. Mr. Smith was with the Clancy agency since after release as an infantry officer in 1946. He attended the University of Oregon and Amherst college where he received his army commission.

He was twice wounded and awarded the Silver Star for action in the Pacific campaigns.

#### Penfield Heads Coos Bay Branch

General Adjustment has reopened its branch at Coos Bay, Ore., in the Hall building. The branch will be under the supervision of the Portland office and R. J. Penfield has been transferred from Eugene in charge.

#### New Agency in California

Lawrence C. Kuebler, a building contractor, has been licensed as a local

agent at Chula Vista, Cal. Albert J. Young is manager of the insurance department. The companies represented are Providence Washington, Pennsylvania Fire, Pacific National, New York Casualty, and Industrial Indemnity.

#### NEWS BRIEFS

Hugh Donovan of American-Associated has been the lecturer in the public liability section of the N.A.I.A. educational program, which the Burlingame-San Mateo Insurance Agents Assn. has sponsored. This course comes to an end Dec. 9. The course is conducted at San Mateo Junior College. Miss Dorothy Arack is chairman of the educational committee.

Fred O. Markham, with Oregon Insurance Rating Bureau 4½ years, has joined the engineering department of Cole, Clark & Cunningham, Portland, Ore.

Vollmer agency of Lewiston, Ida., has changed its name to First Security Agency.

The brokerage firm of Abbott, Davis & Co. of San Francisco has moved to enlarged quarters in the Insurance Exchange building there.

#### Protest Commission Cuts

TORONTO—Alarmed over sharp decreases in commission rates which have been put into effect by the member companies of Canadian Underwriters Assn., agents in Ontario and Quebec are reported to be planning protest moves. In reporting to Ontario Insurance Agents Assn., Ralph Duclos, president, said:

"We were given to understand that the existing commission rate would not be disturbed. However, shortly afterwards, C.I.U.C. reduced the rate of commission by 5%. Your executive has repeatedly made submission to the C.I.U.C. objecting to the making of commission rates contingent on losses."

Similar protests have been lodged with C.I.U.C. by Canadian Federation of Insurance Agents and Quebec Insurance Brokers Assn., but no response has been received from the companies.

The Topeka Assn. of Insurance Women has added 25 new members since the Kansas convention, in cooperation with the October membership drive of the National association. Mrs. Virginia Taylor is president and Mrs. Hazel Smith secretary.



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## Life Companies' A. & H. Problems

(CONTINUED FROM PAGE 25)

of company policy, geared to what the company seeks to achieve. In deciding to give its agents a higher initial commission, his company desired to give them adequate pay for their selling job and put it on the front end. He said it is easy to overpay for service and underpay for selling.

Further, by making the change the company was able to reduce the price per unit and yet make it possible for the agent to increase his take-home pay. It has reduced the turnover, increased agents' prestige and resulted in better public relations, Mr. Skoglund said.

Under the level renewal plan, he said, there were some agents who would reach their saturation point. When they got up to where they had an assured income of about \$5,000, they would start coasting and write barely enough new business to offset their lapses. The graded system, he added, permits payment of a persistency bonus, which was not possible with level commissions.

### Set Stage for Change

Mr. Skoglund said his company set the stage for the change by dividing the 25% level commission then paid into 15% for service and 10% for selling. About six months later it put out a new policy series with graded commissions. The first month only 2% of the business was on the new forms. Production dropped off and it was not until last March that the new plan really sold itself to the agents. Now they are all converted and the new arrangement is in full operation.

Commission of 40% is paid the first year, with 10% renewals. Managers get the same commission on their personal production and in addition get 20% of the commissions paid to their agents. A persistency bonus is paid, but lapses are penalized by a double deduction from the bonus. In reply to a question, Mr. Skoglund said a policy fee is collected only on hospitalization.

### Combination Contract Boosted

Travis T. Wallace, Great American Reserve, presented the arguments in favor of writing life and accident-health in a single combination contract, declaring that it is the easiest way and at the same time the most profitable. Several coverages are combined in one contract in an automobile policy. In writing an endowment policy, it is not necessary to separate the term and annuity parts of the coverage.

Many life salesmen don't think much of accident and health and regard it as a chicken feed business because it pays benefits only for a limited period. Mr. Wallace tells them that the primary function of life insurance is to take care of the widow and that under the various option plans she will be paid an income for the adjustment period—one, two or maybe five years. The most effective argument, however, is that he can make more money by selling accident and health.

The company for its part, Mr. Wallace said, should make it easy for the salesman by having one application—not two—and demonstration sheets which have both coverages on the one sheet. Then the agent pretty nearly has to fill it out all the way through. He can be aided also by simplifying classifications. Mr. Wallace's company now has but two, with rates in between those for the manual classifications which were combined. Combination rates are given the agent on the most popular forms, so that he won't have to fumble around through two ratebooks. Mr. Wallace believes, however, that the agent should be allowed to write any A. & H. policy in combination with any life policy.

### Improving Policy Forms

J. W. Saylor, Business Men's Assurance, told of procedure in the revision of policy forms and coverages recently announced by his company. It was

## Unions, Management Disagree on Insurance Role in Bargaining

Recent developments have served to highlight a fundamental difference between unions and big management over whether the area of collective bargaining should be widened to include insurance and pensions. The union attitude is that insurance and pensions should be subject to annual or even monthly bargaining, discussion and change. Management holds this impossible without upsetting long range insurance and pension program through intra-union political squabbles and creating a host of petty grievances which would upset morale rather than improve it.

In the face of a "third round" drive for wage increases by UAW-CIO which includes demands for company-paid insurance and pension plans, General Motors in effect has served notice that it feels insurance benefits don't come within the scope of collective bargaining by expanding on company initiative alone benefits under its group insurance contracts with Metropolitan.

The place of insurance and pensions in labor bargaining is the crux of two cases now being argued before National Labor Relations Board at Washington. In the cases, which involve CIO steel workers, board trial examiners had reported the companies guilty of unfair labor practices in not bargaining with the union about pension and retirement plans and had recommended that they be ordered to bargain.

Counsel for the two companies, Inland Steel and W. W. Cross & Co., argued that the labor relations act of 1935 does not require their clients to so bargain. Inland Steel's 22,000 employees are blanketed under a company-sponsored retirement plan. The company maintains that the plan goes on from year to year and is not something that can be negotiated at every collective bargaining meeting.

### Sum Up Union Position

The union contends that pensions are a form of deferred wage and therefore a condition of employment subject to collective bargaining. Retirement on a pension is really discharging an employee and the union should have the right to bargain on this subject, says the union. This is a succinct summary of the union position in all instances.

NLRB took up the cases because of the importance of the question involved despite the fact that steel workers have not complied with the registration and non-communist affidavit filing requirement of the Taft-Hartley law.

A further insight into the union position can be gained in a recent letter from Walter Reuther, UAW president, to General Motors in which he says: "For the purpose of expediting discussion of a pension program for General Motors' workers, which I called for in my Aug. 26 letter, I am sending you this preliminary statement of minimum standards which must be met under any program as far as the union is concerned."

### REUTHER'S CREDO

Reuther's statement reads at one point: "The union will not waive its right under any pension plan to improve and expand such a plan from year to year through collective bargaining. Obviously this is the only sound position to take on the collective bargaining issue. It is particularly true in a field which is new and complex, such as the

started with three ideas in mind, to improve the policy provisions, improve the appearance of the policy and simplify its terminology.

Field men were asked at regional meetings and elsewhere what changes they thought should be made. Many of the suggestions were strikingly similar and the ones in greatest demand were incorporated in the recent changes. The improvement in appearance was effected by rearranging provisions in more logical order, better typography and use of color, but on the matter of phraseology only moderate success was attained. The attorneys and actuaries contended that certain wordings had to be retained because of their approval by the courts or insurance department requirements.

field of pension programs. The union cannot accept any proposal under which the employer obtains the right to terminate the pension program at an earlier time than the termination date of the agreement. The same termination date must apply to both parties to the agreement."

This letter was brought to light at the annual Institute on Federal Taxation of New York University by Meyer M. Goldstein, New York pension specialist. Mr. Goldstein notes that the two strong motivating factors which are causing a continuation of momentum toward installing new pension and deferred distribution profit-sharing trusts are labor relations and taxes.

According to Mr. Goldstein, the Reuther credo contains the concept that pensions won in industry must represent an economic gain in addition to wage increases to the workers and not represent gain in lieu of wage increases.

Mr. Reuther's union insists that benefits provided under the plan, supplemented by federal old age benefits, must equal at least 50% of wages and should go above this figure. It seeks full credit for past service under any such plan. The UAW feels that the employer should contribute at least 60% of the cost of the program, spelled out in contract language as a specifically stated percentage of the payroll for the duration of the agreement.

### Seek Joint Administration

The union insists that the jointly financed program must provide for joint administration with equal representation for the union in all decisions involving the pension plan and its day to day operation. UAW demands that adequate provision be made for protection of seniority rights and lifetime pension rights and says it cannot agree to provisions which revoke seniority rights upon retirement unless, in exchange, the workers are guaranteed adequate pension for life.

According to Mr. Goldstein, Mr. Reuther stated that any program must permit retirement age to be scaled down below 65 for workers in foundries, forge shops and other heavy jobs. However, the union says it will not agree on compulsory retirement prior to 65, when the federal old age benefits take effect, unless provision is made for retirement on a pension which is adequate without federal supplement. In cases of separations from employment for reasons other than reaching retirement age, the union states that employees must be able to realize their equity. The union insists that years of service as well as age must play a part in determining the basis of eligibility under the retirement plan.

In the letter quoted by Mr. Goldstein, the UAW president asked General Motors for an early audience upon the subject.

Ford had previously recognized the pension plan as an item for collective bargaining, but negotiations with the union had broken down because union membership would not accept a pension plan in lieu of a wage increase and has demanded that such a plan be in addition to any wage increases.

### Retain Portion After 65

The new General Motors plan, effective Feb. 1, 1948, replaces a plan inaugurated with Metropolitan 21 years ago. One of the principal features of the new plan is the fact that it enables eligible employees to retain a portion of their insurance after age 65 at the cost of the company. An employee who may have to leave General Motors after 60

## Warner Retires After 48 Years

(CONTINUED FROM PAGE 1)

fire companies of the group, and was elected to the chairmanship of the three casualty companies. He is also vice-president and director of Prudential of Great Britain located in New York and of Hudson, reinsurance companies under the management of Royal-Liverpool.

During these years he saw to it that men were being trained to assume responsible positions, and in 1943, when he relinquished his position as U. S. manager of the parent companies, retaining the title of general attorney, and H. T. Cartledge retired as deputy U. S. manager, other executives were ready to assume the added responsibilities which these changes in management contemplated. Mr. Conick was then appointed U. S. manager, and the year following, when Mr. Warner resigned the presidency of the domestic fire companies, remaining on the boards, Mr. Conick was elected president and later president also of the casualty companies. These changes were all in line with the adopted policy of coordinating the entire operations of the group, and Mr. Conick's assumption of the additional duties of general attorney will be the culminating step in completion of this objective.

Mr. Warner has made a substantial contribution to the business of insurance in this country, having been one of the influential factors in the establishment of Insurance Executives Assn., of which he was a trustee until he resigned as U. S. manager of his companies, and having played a prominent part in the organization of War Damage Corp. He has served as a member of the executive committee and as chairman of the committee on incendiarism and arson of National Board, and was a member of Interstate Underwriters Board, joint committee on interpretation and complaint, and other important committees.

### Birmingham Line Is Up

Public liability insurance for the housing authority of the Birmingham, Ala. district comes up for renewal Jan. 1. The housing authority commission has decided the present carrier will be given the business for the forthcoming period if it can write it at the same rate. Losses in the last three years have been considerable, making the line approach unprofitable status. If the present carrier declines, the committee will advertise for bids.

### McWhirter to F. & D. at Dallas

Richard M. McWhirter has joined the underwriting staff of Fidelity & Deposit at Dallas. Mr. McWhirter has been in the bonding business since 1929, and for the past two years has been manager of the fidelity department of Commercial Standard. Previously he had been with Trinity Universal as assistant bonding manager.

Workmen's compensation rates were discussed at the Nov. 24 dinner meeting of Insurance Buyers Assn. of Minnesota at Minneapolis.

and who meets service requirements is permitted to continue part of his life insurance until death.

Life protection and sickness and accident coverage is reported substantially improved with additional benefits payable for accidental death and dismemberment, which may amount to as much as 50% of the employee's life insurance with a top limit of \$4,000.

The General Motors' plan provides a monthly income for a specified period for longer service employees totally and permanently disabled before age 60. Such an employee with 15 or more years in the plan has group life paid to him in 50 monthly installments. After payment of the 50th installment the employee remains insured for \$500.



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G. Raymond Lebrer, Lebrer and Madden, Inc.  
Aetna Representatives, Boston, Massachusetts

Graduate of Massachusetts Institute of Technology and Harvard Graduate School of Business Administration. . . . Alert, energetic and personally dynamic. . . . Ray Lebrer has established one of the largest and most successful insurance agencies in Boston. . . . A keen student of the insurance and surety business. . . . Ray is one of the top producers in the nation for the Aetna.

## First Step to Success

"Modern insurance practice is on a high level. The successful merchandiser of insurance today must be able not only to *diagnose* the many insurance requirements created by complex business activities but also to *meet* these requirements by resourcefully preparing the required insurance coverages.

"To accomplish these objectives, accurate and comprehensive knowledge is essential. Today's insurance agent must know his stuff. Not only must

he be able to *explain* the various coverages; he also must know how to apply them.

"The place to get this essential knowledge is the Aetna's Home Office Casualty and Surety Sales Course where the emphasis *always* is upon the practical application of what you learn. This Course started *me* on the right track and I believe it will help anyone else who is seriously determined to make a success in this great business of insurance."

G. Raymond Lebrer

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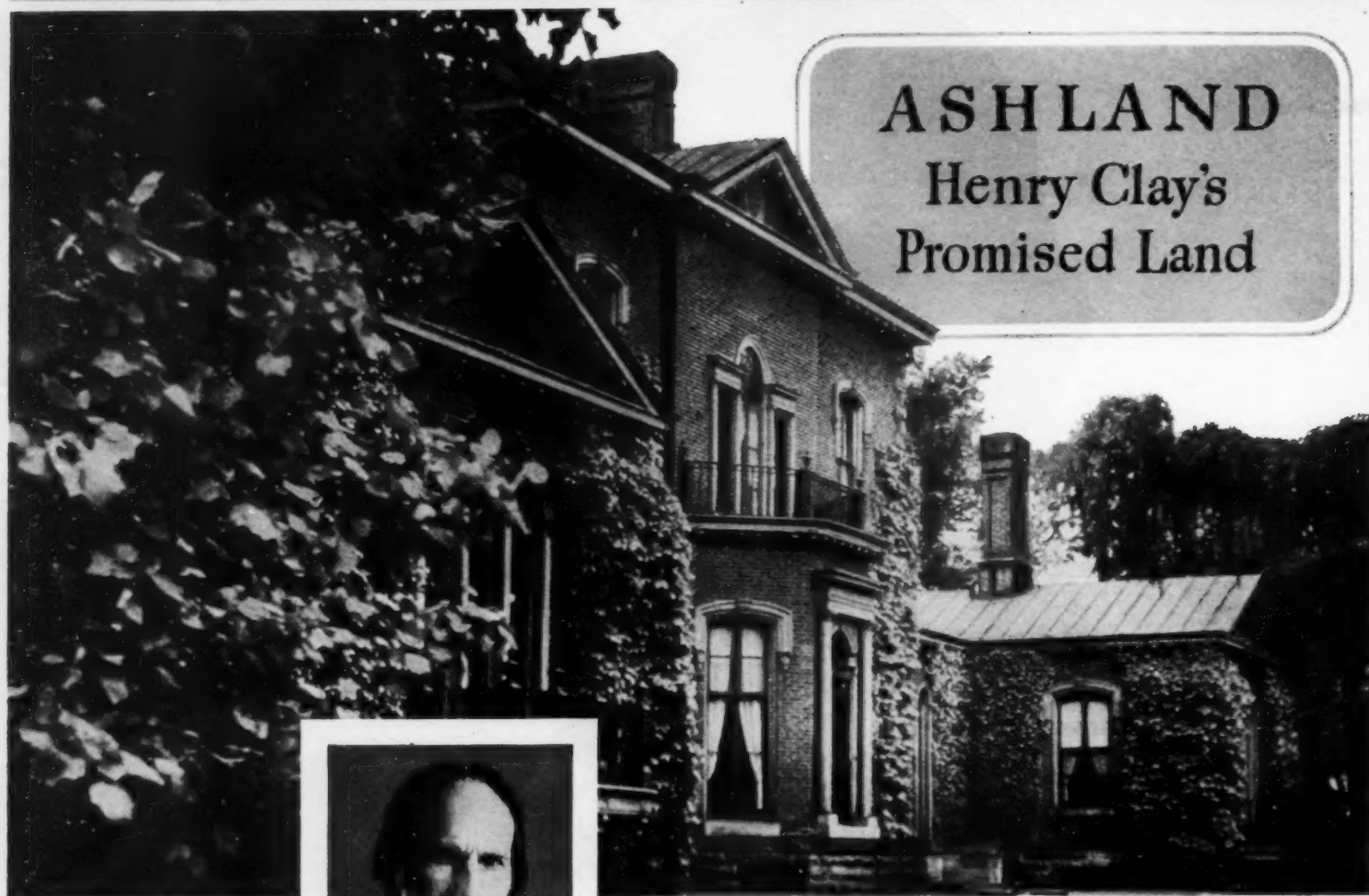
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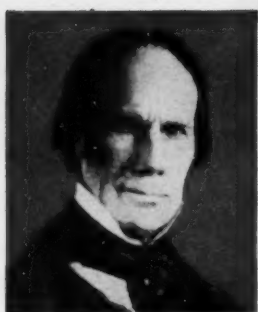
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CONNECTICUT

## ASHLAND Henry Clay's Promised Land



*Ashland stirs a memory of days when Clay walked this ground he loved*



*From an old daguerreotype*

"I AM IN ONE respect better off than Moses," wrote Henry Clay to a friend. "He died without reaching the Promised Land. I occupy as good a farm as any he would have found, had he reached it, and Ashland has been acquired, not by hereditary descent, but by my own labor." Yet though Clay attained his Promised Land, his long career as Congressman, Secretary of State and Senator prevented him from dwelling there as much as he wished. Each time he decided to retire, popular demand and his own zeal forced him to re-enter public life.

Clay bought Ashland, near Lexington, Kentucky, in 1806 and built the main house a few years later, adding to the estate at intervals until it included 600 fertile acres. An excellent farmer, he took great interest

in the management of the place and in raising fine horses and breeding cattle. In his absence much of the responsibility was shouldered by his wife, the former Lucretia Hart, and, as Clay declared, "how diligently, how nobly she has performed the duties thus devolved upon her can be known to no mortal save myself alone."

Henry Clay achieved his fame, just as he acquired Ashland, through his own efforts. Lacking much formal education, he nevertheless rapidly made his reputation as a brilliant orator and lawyer. People used to say that no one whom Clay defended was ever hanged. Whenever he spoke, huge crowds gathered, attracted by his superb voice and compelling personality. However, his renouncing a lucrative law practice for public service prevented him from becoming wealthy. In fact, at one time it seemed that he would have to sell Ashland until anonymous friends throughout the country raised \$50,000 with which they settled his obligations.

Between 1824 and 1848 Clay was a strong presidential candidate in nearly every campaign but in spite of his popularity and the fact that for a generation he was the acknowledged

leader of his party, the nation never rewarded him with its highest office. Although he is quoted as saying, "I would rather be right than President," his failure to attain this position was a bitter disappointment. His private life was further saddened by family tragedies. Of eleven children, all six daughters died before their father, one son was killed in the Mexican War and another became insane after an accident.

After Clay's death the house at Ashland was torn down, but the present dwelling, reconstructed by his son on the same plan and with some of the original materials preserves the same general aspect. Within are much of Clay's furniture and many mementos of his career. Though the estate has dwindled in size, it still retains the peaceful charm which made it a place of solace to the famous owner.

*The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.*



*Henry Clay addressing the Senators in 1850*

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